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NEWS SUMMARY

GENERAL BUSINESS

Freed Russian lies to London

Vladimir Bukovsky, the most dissident freed in exchange for Sen. Luis Corvalan, the Chilean Communist leader, flew from Zurich to London yesterday.

He said at a Press conference at Heathrow airport that the battle for democracy in Russia is part of the universal struggle for freedom and for justice and it is in England that he hopes to have the strongest support for the cause.

Meanwhile, Soviet authorities launched the Moscow hopes of an Orlov, Alexander Ginzburg and Lada Alexeyeva, three leading dissidents, and said that they found evidence that proved the three were directed from abroad.

MP demands gas blast probe

William Mollay, Labour MP for North Ealing, has called for government investigation into the gas explosions over the Christmas and New Year holiday period. Yesterday there were gas blasts at Liverpool and Huddersfield.

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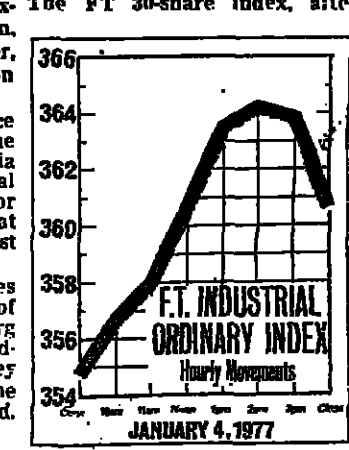
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Equities rise 5.9; Wall St. off 11.88

Equities began the year with a flourish, but profit-taking pared some of the gains. The FT 30-share index, after rising 9.5, closed 5.9 up on the day at 360.6. Rises led falls in FT-quoted Industrials by 11 to 2. Investment dollar premium fell 3 points to 118 1/2 per cent.

Leaders and laggards for 1976, Page 2

● GILTS improved, anticipating a further cut in minimum lending rate on Friday. Government Securities Index added 0.18 at 60.45. Back Page

● GOLD rose \$1 1/2 to \$135 1/2.

● STERLING gained 68 points from last Friday at \$1.7085. Its weighted depreciation remained 44.1 per cent. Dollar's weighted average widened to 2.06 (1.90). Year-end money market and exchange rates, Page 17

● WALL STREET closed lower at 987.87.

● U.S. TREASURY Bill rates: Three 4.407 (4.298) per cent; sizes 4.555 (4.474).

Giscard expects summit in U.K.

WESTERN ECONOMIC summit meeting will probably be held in Britain in June, according to President Giscard d'Estaing of France. Page 4

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Rhodesia solution may be black majority council

BY QUENTIN PEEL JOHANNESBURG, Jan. 4.

A black majority Council of Ministers headed by a British resident commissioner is understood to be the formula favoured by Mr. Ivor Richard, chairman of the Geneva Conference, as the basis for Rhodesia's interim government.

The plan for the government, which would lead Rhodesia to full independence under majority rule, would do away with the two-tier formula proposed by Dr. Mr. Ian Smith, the Rhodesian Prime Minister, at week-end talks in Salisbury.

This included an overall Council of State, with a white chairman, as well as a Council of Ministers. Mr. Richard's unicameral proposal would replace the Council of State with an inner Cabinet within the Council of Ministers, made up of the leaders of the political groups involved in the interim government.

The vexed problem of who would control the police and armed forces would be tackled by the establishment of a National Security Committee of Council, which might include technical outsiders as well as political representatives.

In this, as in the Council of Ministers and inner Cabinet, the British Resident Commissioner would play a "balancing role". There would be built-in constitutional protection in that he would vote with the majority to push issues through the Council.

Mr. Richard, who arrived in the Botswana capital of Gaborone today on the fourth leg

Problem

There is clearly still considerable vagueness in the plan, while Mr. Richard is insisting publicly on any firm proposals at this stage, merely discussing "various ideas".

He said when he reached Gaborone, where he is to see the President, Sir Seretse Khama, to cement with the problem, believe Britain would have to perform a "neutral balancing role" in an interim Government.

The nature and extent and precise definition of it is not something that I am clear about

Shipbuilding talks must go ahead, Japan told

BY JOHN WYLES, SHIPPING CORRESPONDENT

A JAPANESE attempt to postpone crucial talks on the world shipbuilding crisis, due to take place in Paris next week, has been swiftly rebuffed by the EEC Governments.

After telephone calls between European capitals, the Japanese were told yesterday that the Organisation for Economic Co-operation and Development meeting on shipbuilding policy next Tuesday must go ahead.

The talks are regarded as almost the last opportunity for Japan to avert EEC moves to a larger slice of world shipbuilding orders for its members.

With Japan having taken around 80 per cent of all orders in 1976, the EEC has drawn up a list of possible measures to be adopted and has called a meeting in Brussels on January 17 of senior officials from member countries to discuss its proposals.

Among items to be discussed at the talks, at which the U.K. Department of Industry will be represented by its Permanent Secretary, Peter Cury, are selective shipyard subsidies and extended credits for shipowners.

£ in New York

	Jan. 4	Previous
Spot	\$1.708-7115	\$1.708-7090
1 month	1.72-1.67-01	1.69-1.75-00
3 months	1.64-1.62-01	1.64-1.63-01

The mood at this meeting will clearly be influenced by whatever Japan has to say within the OECD next week. In particular, the EEC will be looking for signs that Japan is reconsidering its rejection of a Community proposal for a 50-50 share of available orders with member countries of the Association of West European Shipbuilders, the EEC plus Scandinavia, Portugal and Spain.

This was turned down during bilateral discussions in Tokyo a fortnight ago, and Japan's request for a postponement of next week's meeting is seen in Europe as a bid to drag out the dispute. The stated reason for the request—that top officials are preoccupied with New Year holidays and budgetary preparations—has cut little ice.

No one expects even the outline of an agreement in Paris next week but the EEC is anxious to give Japan the opportunity to change its position before attempting to frame a joint policy.

Failure to agree an EEC policy will certainly lead to unilateral measures. By 1980, world output is expected to be only 33 per cent of the 1975 figure, and since Japan is determined to account for at least 50 per cent of this production, Western Europe would face an 80 per cent cut in the shipbuilding activity.

This projection is based on an annual world output of about 12m. gross tons and the EEC is arguing that around 3m-3m. gross tons should be left to the developing world.

This would mean that 9m-10m. gross tons could be built in Western Europe and Japan and the EEC wants these orders to be shared on an equal basis.

But during increasingly tense diplomatic exchanges, Japan has refused to move from its plan to scale down man hours worked in its industry by 1980 to 65 per cent of 1974 levels when it says it will be producing 6m. gross tons.

North Sea oil could exceed \$14 a barrel this year

BY RAY DAFFER, ENERGY CORRESPONDENT

THE PRICE of North Sea oil could reach more than \$14 a barrel this year, according to U.K. and Norwegian production as one of the most sought-after and expensive crudes in the world.

Oil companies and the Government are trying to calculate the true market value of North Sea oil in the light of the confusing split-pricing decisions of the Organisation of Petroleum Exporting Countries.

It may be several months before a worldwide pricing structure emerges. Much will depend on whether the 11 OPEC members which voted for a rise of 10 per cent, can implement this increase in the face of market forces and the rise of 5 per cent adopted by Saudi Arabia and the United Arab Emirates.

could take spot North Sea prices above \$14 a barrel, compared with a basic \$12.70 a barrel for crude produced in countries insisting on an increase of 10 per cent, and a base of \$12.05 a barrel for Saudi Arabian and UAE crude.

North Sea oil carries a sizeable premium because of its proximity to major markets in Europe and the U.S. and its quality. Although the quality of the crudes differ from field to field (from well to well in some cases), British oil does have an attractive low sulphur content.

The only prices that have been made public so far relate to export contracts. Most of North Sea crude, at present more than 80 per cent of U.K. output, is used domestically in British refineries.

Here, the pricing situation is extremely hazy, so much so that the Inland Revenue has still to agree with oil producers on market prices for much of the oil landed in the past year.

Theoretically the value of North Sea oil can be calculated from the price of crudes that it replaces in a refinery mix—Nigerian, Libyan and Algerian oil, for example.

Oil companies point out, however, that there are other factors that have to be considered; the impact of world demand for competing low-sulphur crude and the risks involved in using oil from recently developed North Sea fields, for example.

World trade, Page 6
Amoco threat, Page 8

Calculations

Initial calculations by a number of U.K. oil companies suggest that North Sea crude prices might rise by 7 or 8 per cent, partly on the basis that the type of oil produced in British waters is akin to that produced in some of the African states where a 10 per cent, rise is being sought.

Industry reports show that spot lifts of export crude from the North Sea—mainly from British Petroleum's Forties Field and the Norwegian Ekofisk field—were generally being sold for about \$12.75 to \$13.00 a barrel last year. During the later months the price went as high as \$13.50 in expectation of a big OPEC increase.

An increase of 8 per cent.

FT Monthly Survey of Business Opinion

Export industries more confident

A SHARP DECLINE in optimism about prospects both for the economy as a whole and for individual companies has occurred during the last month according to the latest Financial Times survey of business opinion.

The decline is reflected in a smaller number of companies reporting a rising trend of new orders, and a much lower projected rise in production over the next 12 months. The only bright spot remains exports, where industry is more confident than it was last year.

The survey covered non-electrical engineering, brewing and distilling, and the paper and connected industries.

The interviews were all carried out before the mid-Budget on December 15 and the publication then of the letter of application to the International Monetary Fund.

However, almost all the companies in brewing and distilling were reinterviewed afterwards by telephone. The general impression was that the Budget statement had been along the expected lines and few answers, therefore, needed revision.

The overall decline in confidence is highlighted by the fact that three-fifths are less optimistic than they were four months ago.

The greater caution about specific business prospects shows up both in the net balance of companies expecting a fall in their labour force in the next 12 months.

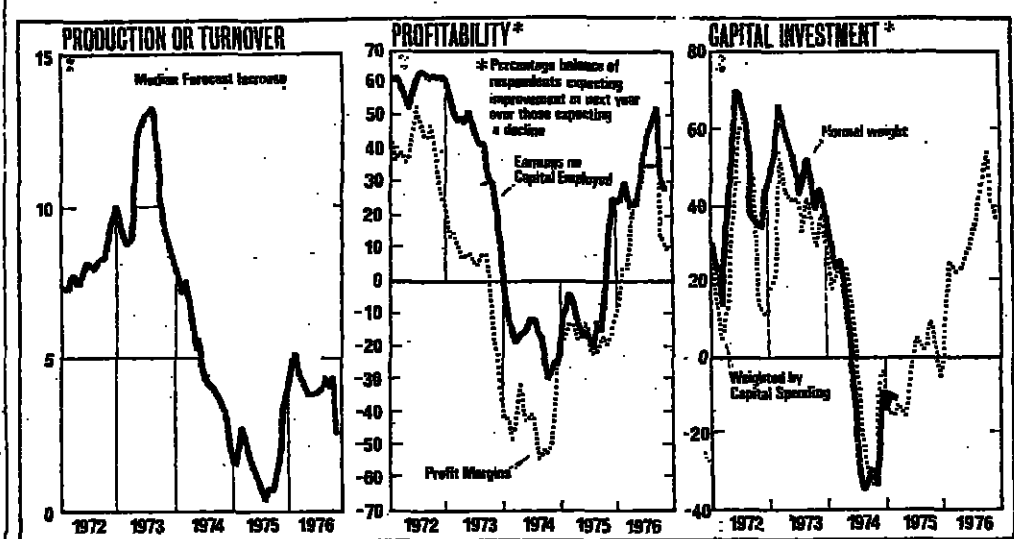
Meanwhile, all three sectors are less inclined to say that they would increase their capital spending, rather than cut it, over the next 12 months than in previous surveys.

Industry is also taking a more pessimistic view of inflation prospects during the next 12 months, although there has been little change in expectations about wage increases.

All three sectors in the survey are expecting price increases over the next 12 months above the 15 per cent rise forecast recently by the Treasury for the 12 months to the fourth quarter of this year.

The engineering sector is projecting an increase of 17.7 per cent, but the four-month moving all industry total still indicates a median rise of slightly more than 13 per cent for the period.

Details, Page 14



CBI proposals link pay to productivity

BY ADRIAN HAMILTON

THE CONFEDERATION of British Industry will put its proposals for a further year of wage restraint to the Government in the next two weeks.

After discussions with its membership throughout the regions, the CBI leadership has decided to urge a three-part Phase III under which a minimal basic increase would be allowed together with an added percentage for productivity deals, plus tax incentives to restore differentials.

It has yet to put firm figures to its proposals, although it feels that the limits must be right if inflation is to be controlled.

According to Lord Watkinson, CBI president, the basic wage norm would largely be a question of negotiations between the TUC

and Government—although industry would prefer the increase to be as small as possible. Employers are concerned that the next phase should contain greater flexibility for productivity deals. Lord Watkinson said yesterday that these should be within a set limit of perhaps 5 or 6 per cent, and should be structured to prevent their becoming a loophole for additional wage rises.

A third essential of the package should be lower taxation on the higher-paid as well as higher thresholds for the lower-paid.

The Confederation will detail its full tax proposals in its Budget representations next month when it is expected to urge an adjustment of tax bands as the immediate priority in a longer-term objective of reducing the top rate of tax to 60 per cent at most.

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Interview, Page 8

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Interview, Page 8

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Nylon	65 + 10
Paris and Whites	90 + 11
Phillip's Lamp	945 + 27
Rank Organisation	140 + 12
Royal Insurance	294 + 14
Stock Conversion	171 + 3
Thorn A Org.	216 + 10
Trafalgar House	95 + 4
Tube Invs.	310 + 10
Viking Resources	74 + 10
Vickers	131 + 6
Wigfall (H.)	117 + 17
BP	320 + 18
Oil Exploration	105 + 9
De Beers Ltd.	212 + 18
Messina	155 + 10
ZCF	213 + 4

سكزا من الاجل

Nutcracker

by CLEMENT CRISP

At this time of the year The Nutcracker is inescapable. And, as choreographers, producers and audiences have found, intractable. The problem, unsolved even at the first Maryinsky Theatre staging, is in the grandeur of the Chalkovsky score and the fatuity of the libretto which Petipa concocted. The music, with its wonderfully interwoven strands of childhood magic, mystery, and strong, disturbing undercurrents of melancholy, is a marvel to hear; but set against the scenario it shows up the merecness of the stage action and is constantly betrayed by infant scampings and arbitrary diversions.

It is to Ronald Hynd's great credit that in his new production for Festival Ballet, which I saw last week, he has listened carefully to the score and has understood that its secret lies with Hoffmann rather than with Petipa: not by a slavish attempt to fit the original Nutcracker and Mouse-King on to the music, but by arranging a truly Hoffmannesque narrative from the traditional elements of the tale. Hoffmann's story is a long, complex adventure in which childhood dreams become parents of a waking reality, culminating in the revelation that the Nutcracker of Marie's fantasy is Karl's roussemeyer, nephew of her grandfather. The tale is also firmly located in the framework of the bourgeois society of the early 19th century. With these guidelines, Mr. Hynd and his designer, Peter Docherty, have been remarkably successful in devising a setting in which the old ballet acquires both a greater logic and a much more appealing mixture of fantasy and truth.

The Stahlbaum household is shown to us as an ordinary bourgeois ménage in which all the elements of the dream sequence are given their "real" precedents, from the child Marie's obsession with a box of sweets to the disposal of a rat in the vast stove which heats the drawing-room. The Stahlbaums are drawn with a good deal more detail than is usual, notably Frau Stahlbaum, who is seen with social pretensions and wonderfully portrayed by the Baroness Miklosy, revealed as an actress of vivid gifts. Mr. Hynd's chief innovation is the development of the shadowy character of Marie's elder sister, Kluisie, into the heroine of the piece, and the introduction of Karl Drosselmeyer as her tutor, although her mama is all too eager to force her upon Herrmann von Rattensteina (his name will explain his later transformation into the Rat King of Marie's dream), son of the distinctly sinister and snobbish von Rattensteina couple, who also appear. Everywhere in this first scene, in which the party is neither fantastic nor improbable, but

cleverly devised and socially credible, the seeds of the later dream-section can be observed. At one moment, for example, Herrmann puts on a turban and he returns in Act 2 in the *Donse Arabes*, while the children acquire hats and fans which will explain the rest of the last act diversions. What one might call this "Freudian" care is not their gratuitous nor overstressed; he clues are slight but effective, and eventually all the disparate incidents are neatly explained. The substitution of Louise, a girl ready to be betrothed, as heroine, is an improvement on Hoffmann's original in which the infant Marie eventually becomes the child-bride of the Nutcracker.

Through these simple and artful extensions of characters in the first act, Mr. Hynd is then able to let the rest of Petipa's action take its course. Mouse-battle, snow-journey, even the dread Kingdom of Sweets, fall into logical place, and we are not bothered by what otherwise may seem ludicrous inconsistencies. In the sum, an excellent and convincing staging.

The reward for Festival Ballet's artists is in well-rounded characters which they play to the hilt. Terry Hayworth's Drosselmeyer, Vassili Truofoff's Stahlbaum and Margot Miklosy's exceptional incarnation of his wife, the snobbish and macabre von Rattensteina (very consoling of the "von," too) from Linda Darrell and David Long, 9th century. With these guidelines, Mr. Hynd and his designer, Peter Docherty, have been remarkably successful in devising a setting in which the old ballet acquires both a greater logic and a much more appealing mixture of fantasy and truth.

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For the first time in my experience, the old ballet does not look like a feeble pendant to the greatness of *Swan Lake* and *Beauty*. Mr. Hynd deserves all our congratulations.

Television

Full marks for drama

by CHRIS DUNKLEY

"Pretty boring Christmas on TV, wasn't it?" The judge is not alone, but that of a remarkable number of friends and acquaintances. My own view is that it was an average to good Christmas, and wondering why so many others have called it boring or uninteresting or even dead, I have concluded, not for the first time, that most of us do include myself — often judge television by inappropriate standards.

It is as though you were to ask a chap to estimate the value of a bag of apples and he were to whip out a ruler. The tendency, at any rate among those who go to theatres and concerts and read books for pleasure, is to judge television by the standards of another medium. The judge's criteria have been put together over the course of several centuries as the basis for judging those long established forms.

Expectations of television tend to be so absurdly high that disappointment inevitably follows all too often. In part, of course, the blame for this must fall on television's own moguls and publicists who treat every run of the mill drama series as though it were the Shakespeare canon reincarnate, and who seek equally eagerly to promote as modern super heroes actors and journalists whose abilities and minds prove on screen to be pretty commonplace.

Yet all forms of popular art and communication seek to promote their own ends, and you would have to be a very naive and impressionable viewer to believe all television's own self-promoting nonsense.

Television plunders, quite legitimately, all the established forms of art and science, as well as creating some material of its very own. It is, as I noted in the first column I wrote on this page four years ago this week, "an eclectic rag bag of things." The trouble is that because it does so many different things with striking success once in a while, public expectations are often pitched at a height which can only be reached very occasionally whereas winter holiday they would have runs on and on, day in, day out.

night after night, on three channels simultaneously. (And perhaps four after this coming spring's *Annun Report*. Five or ten years after, anyway.) Every now and then Cedric Messina or somebody (usually Cedric Messina, come to think of it) will produce a TV version of a stage play, last week's version of *Private Lives* on BBC1 for instance, which not only brings within the reach of millions a play which would previously have been available merely to hundreds, but which also adds something new to the work.

Television has never been able to give those millions the unique experience they would receive from the live stage, and no doubt the missing of such experiences is part of the reason for the disgruntled reception of the Christmas programmes by those who habitually go to the theatre and so on.

But it can communicate its own way of experiencing the play to all those people who would otherwise never see it at all, and can do so — as Messina, director John Gorrie, and designer Stuart Walker proved — with a striking sense of style. It was not only the unusually deep performances from Penelope Keith and Alec McCowen, nor the art deco settings which were so successful, but television's own little touches such as the stop-motion photography effect between the acts, taking Elvot and Amanda to Paris.

On Wednesday and Thursday last week, while BBC2 was presenting *Gas*, *Pieces* and *Pleasure At Her Majesty's*, which were both worth an evening at home. BBC 2 was showing a superb German production of Schiller's *Fiesco* and a not so superb but still interesting one of *Notre Dame*, re-written for television by Robert Muller.

When my parents were my age they would have had as much chance of seeing those two plays as of flying to the Canaries for a winter holiday. If they had watched last week (instead of flying to the Canaries for a winter holiday) they would have seen a series of interesting similarities between current German and English TV studio techniques, and a number of significant contrasts.

Twilight of the Gods

by RONALD CRICHTON

The English National Opera's famous English Ring is represented this season by three performances of *Twilight of the Gods*, from which a live recording is to be made to complete the series being issued by HMV. Alastair Reginald Goodall being taken ill on the Friday morning, Nicholas Braithwaite, who prepared the revival with Mr. Goodall, conducted at a few hours' notice in his place. Not surprisingly in the circumstances, for the first act and much of the second, the impression was mainly of Goodall's comical rhythmic undertow that normally binds them together in a majestic, mighty stream.

There were moments in the first act when the Rheingardens so nearly stopped moving that one feared the hydro-electric dam from last year's Bayreuth Festival had been installed further downstream — this applied mainly to orchestral passages, Mr. Braithwaite at times showing himself an adept, considerate accompanist to the singers. In the last act, things came right. Then the real Wagnerian glow, so often and so sadly missing in the Ring centenary year's mixed bag of Wagnerian experiences, spread comfortably through the orchestra, earning the conductor warm applause at the end of the performance (the orchestra rightly had their share at the beginning of the act).

With one exception the cast was familiar. Rita Hunter, though her features, in the final scene especially, deserve more thoughtful lighting than they received. Singing more admirably it must be long time since there has been so fine an example of this type of Brünnhilde, with a voice not grand in volume but blessedly secure and well-kept, with reserves of breath for long phrases, with an elegance in the execution of turns and in the discreet but effective use of portamento that remind one how much Wagner, even in his mature vocal writing, still owed the older school of singers. Unlike many Siegfrieds, Alberto Remedios gives himself generously to the first act duet and can still offer an absorbing account of the narration and death scene, with barely a blemished note.

Rainbow

by ANTONY THORNCROFT

The Rainbow at Finsbury Park came to life for a third time at the weekend as the country's leading rock theatre, and very welcome back it is, too. Its ornate Moorish interior, designed in 1930 to catapult film-goers from depressed London streets into the Hollywood fantasy world of the 1930s, is a progressive rock group to attempt the modern equivalent, and the aptly-chosen Genesis was, ideologically at least, the perfect band for the first concert.

For Genesis deals in dreams and illusions. Whether to get the most from their music you need artificial stimulants I wouldn't know, there was certainly a muzzy atmosphere and a docile audience, packing the theatre on Sunday night, and in such a mood the soaring keyboard flourishes of Tony Banks, and the high-flying guitars of Peter Dinklage and Mike Rutherford supplied an appropriate background for releasing the mind from the body.

But for anyone who is resolutely earth-bound, the songs of Genesis soon become repetitive and, much worse, soul-less. The lack of reality, of any physical content in the music and in the performance, produces a drowsy numbness rather than a magical trip, and the lyrics, which have the amount of literary facility

Elizabeth Hall

Camerata Lysy

A series of eight concerts covering the New Year period is being given by the Camerata Lysy, a chamber orchestra manned by young string players from the Dutch-based International Academy of Chamber Music and directed by the violinist Alberto Lysy. The second of them, last Thursday, was a programme of music by the Bachs. In the opening work, the D minor Flute Concerto of Carl Philipp Emanuel, we could immediately admire the fresh youthful sound of the strings — the ensemble was light but firm, the tone appealingly springy and clear.

Mr. Lysy, first violinist, is content to let the music "play itself" in a manner exceedingly well suited to the occasion. A Concerto in A for harpsichord by Johann Christian Bach; the second movement, delightfully romanesque with its pizzicato accompaniment and elegant melodic invention, flowed, justly balancing the sophistication of the soloist, George Malcolm, and the candour of the orchestra. In

At the Camerata's third concert, on Sunday evening, Mr. Lysy himself was not on the platform. Heppelshah and Jeremy Menuhin performed four works for two pianos or four hands with assistance from two cellists, a horn, and two percussion players. As anyone might guess, the percussion was required for Bartok's Sonata. Fewer would spot that the remaining extra players were heard in Schumann's B flat Andante and Variations op. 46 — the original version for two pianos, two cellos and horn.

Mr. Schumann turned out to be not the best, but the most interesting work on the programme, full in spite of some unadventurous two-piano writing of Schumannesque poetry. Why did he use this unlikely combination — was it an occasional whim or an ad hoc group of musicians? He didn't, evidently, trust his horn-player very far, but gave the two cellists some curious, not ineffective writing in double cello. There were other concerted pages when the sound was

Thracian Art

by RONALD HOLLOWAY

As Bulgaria nears the 100th anniversary of its Liberation from the Turks by the Russians in 1878, it is rediscovering a past as well as a future — the ancient past. In Thracian art, found in the interior points to a quite sophisticated and advanced civilisation as far back as the Greek trading posts and colonies established in this area. The Thracian Civilisation, and its position in the city of Provdiya (formerly Philippopolis, named for Philip of Macedonia who conquered it), last October investigated the language and customs of the Proto-Thracians responsible for art treasures that have astonished some scholars as did the Egyptian tombs.

The Thracian Art Exhibit is now known to most of Europe — London, Paris, Vienna, Moscow, Leningrad, Warsaw — and will debut in New York at the Metropolitan Museum next fall. The touring exhibit numbers some 1,000 ornaments and objects of gold, silver, and bronze among rare artifacts, but an equally valuable "exportable" item is the publication of *Palpudeva: Semaines Philippiennes de L'Esthétique et de la Culture Thracie*, the papers given by international scholars (Bulgaria's Alexander Fol and Ivan Venedikov head a list of distinguished names from European Institutes of ancient culture) at the first Plovdiv Symposium in 1974. The follow-up with papers given by eminent authorities from France, England, Holland, the Soviet Union and, of course, Bulgaria.

Thrace will still even more interest as to the origin and language of tribes that matched, in certain ways, the cultural standards of the Greeks. The Plovdiv Symposium, the ill-mannered, get-rich-quick snob who continually stumbles over his own feet in trying to buy his way ahead, and close to the heart as modern Georgians, the Soviet Union — and anyone who has had the pleasure of seeing a string of these art houses or at film identity," save that other cultural manifestations here are pleasure that can be.

What dropped in 1927 that's picked up on page 9?

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NEW ISSUE

DECEMBER, 1976

The Council of Europe Resettlement Fund

for National Refugees and Over-Population in Europe

Strasbourg/Paris

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U.K. may be economic summit venue

BY OUR OWN CORRESPONDENT

THE PROPOSED Western economic summit meeting will probably be held in Britain in June this year, President Giscard d'Estaing of France said today.

The third of its kind within the past two years, the first was held at Rambouillet Castle near Paris in November 1975, followed by another top-level gathering of western leaders in Puerto Rico in July last year.

On each of these occasions, the Heads of Government of the U.S., Japan, Canada, West Germany, France, Britain and Italy have tried to map out a co-ordinated strategy to deal with the industrialised world's most pressing economic problems.

At their next meeting, the Western leaders will have to decide what policies should be adopted by their respective governments to prevent the expected slow-down in their countries economic recovery from turning into a recession.

PARIS, Jan. 4

Andreotti to seek voluntary pay code

By Dominick J. Coyle

ROME, Jan. 4. ITALY'S Prime Minister, Sig. Giulio Andreotti, is scheduled to meet top trade union leaders here to-morrow in an attempt to work out a voluntary incomes policy and a code of conduct.

In this context, the Heads of Government will certainly make a first assessment of the effects of the recent OPEC decision on oil prices and try to co-ordinate their policies for dealing with any new increase in oil prices.

Spain to make overture towards Arab countries

BY ROGER MATTHEWS

MADRID, Jan. 4

THE SPANISH Government is planning major foreign policy initiatives directed towards the Arab world and is drawing up a new foreign economic strategy for the first half of the New Year, apparently confident that its programme for domestic political reform is now solidly established.

A summit meeting of illegal opposition parties was to-night expected to remove one of the last stumbling blocks to normal negotiations with the Communist Party (P.C.I.).

Mr. Santiago Carrillo, secretary-general of the Communist Party took his place at the meeting for the first time. He was released on bail three days ago having been arrested in Madrid before Christmas following his illegal return from exile.

As a result of his release, together with other members of the central committee, Sr. Carrillo will no longer demand to exist between Spain and the Arab world.

Spain has been particularly seriously hit by the successive rises in the price of oil but has failed to offset the effect on its balance of payments with any compensating trade deals.

At the same time, the opposition parties are planning to reduce the original list of nine Government requests and to facilitate the shift in policy by the Communists. Talks between the two sides should, therefore, get under way next week after the repeated delays of the past months.

The parallel diplomatic offensive will be spearheaded by King Juan Carlos, Sr. Suarez and by Sr. Marcelino Oreja, the Foreign Minister, who, before the end of this month, will begin a series of visits to Arab and other countries. The aim will be to achieve some economic benefit from the traditional "special talks imports."

Major boost likely for French steel

BY ROBERT MAUTHNER

PARIS, January 4

PRESIDENT GISCARD d'Estaing of France said today that he expected the Government to inject some Frs.2bn. (about £230m.) into the country's ailing steel industry, which is currently suffering from severe financial and over-employment problems.

The Government, however, will attach certain important conditions to its aid. Having already granted some Frs.7bn. in the form of loans to the steel industry, it is understandably reluctant to pour any more money into this seemingly bottomless pit without some return.

Since a direct financial participation in the industry, let alone nationalisation, is contrary to President Giscard d'Estaing's political philosophy, a plan has been devised under which loans to the steel industry would be repaid in the form of worker shareholdings.

In this way, the Government would be killing two birds with one stone. It would provide the industry with urgently needed funds while at the same time fulfilling its social reform promises.

Shorter hours plan to cut German jobless

BY NICHOLAS COLCHESTER

BONN, Jan. 4

THE THORNY question of whether West German unemployment could be reduced by shortening working hours has been exercising the unions, industry and Government this week. So far, most voices have been against the idea, but the fact that the discussion is taking place at all suggests mounting scepticism that future growth can provide the answer to the West German unemployment problem.

ing last week of the effectiveness of West Germany's "social market economy," it has until very recently been heresy to talk of a reduction in working hours, coupled with a fall in effective pay, in growth orientated West Germany. His suggestion that the unions "must force the economy to face up to the question of the way in which jobs are shaped and protected" has therefore met a largely negative response in other unions and in management.

The West German Employers Federation continues to insist that low wage settlements, leading to more capital investment and growth, are the most important means towards restored full employment. It Metall, the powerful metal workers' union, has rejected Herr Vetter's thoughts. It said that shorter working hours without main-

another symptom of Herr Vetter's disillusioned fear that the unions must do more than accept another year of wage moderation to restore full employment in West Germany. Herr Vetter has this week repeated his feeling that unemployment is proof of "capitalistic traits" in the economy. He has explained that this year's expected growth of around 4.5 per cent, will not be enough to prevent a further deterioration in unemployment statistics, let alone bring about an improvement. His quest for an answer to this problem has taken him off the tramlines of normal West German economic discussion. It promises a more heated exchange of views when unions, management, Bundesbank and Government meet on January 11 for their first conference on economic management in 1977.

Lisbon Cabinet reshuffle likely

BY OUR OWN CORRESPONDENT

LISBON, Jan. 4

A RESHUFFLE of the heavily overworked Portuguese Cabinet is now inevitable following the night's dramatic resignation by the Minister of Industry and Technology, Sr. Walter Rosa, because of a "grave family tragedy."

Sr. Rosa's portfolio in the minority Socialist Cabinet will be taken on temporarily by the Minister of Planning and Economic Co-ordination, Sr. Antonio Sousa Gomes, who must now spread his energies over the complex task of long and short range economic planning and the debilitated field of Portuguese industry.

His responsibilities are almost as heavy as those of Sr. Antonio Barreto who now deals with the portfolios of Trade, Tourism and Agriculture — in the wake of the resignation of Sr. Antonio Lopes Cardoso as Minister of Agriculture in November.

Industry and agricultural production are in a state of flux. Portugal must import 52 per cent of its food (at a cost

of \$666m. up to October 1976). The country is running out of foreign reserves. The balance of payments deficit stands at \$1.6bn. The total foreign debt, including state and private loans purchase credits, totals \$3bn.

The official value of Portugal's only solid asset, its gold reserves, amounts to \$3.5bn., of which 30 per cent is held as collateral for foreign loans.

The Government has been given a breathing space by the confirmation of an emergency \$300m. loan from the U.S. Treasury exchange stabilisation fund, and the extension for a further six months of a \$250m. loan from West Germany.

The U.S. has expressed willingness to make a 90-share in a long-term \$1.5bn. consortium loan to be administered by the IMF.

According to President Eanes, however, Portugal cannot continue indefinitely to seek loans. In his New Year's address to the nation, he said Portugal must progressively reduce our dependence on the outside world and find our own means of finance. If we do not overcome the crisis the crisis will overcome us.

ence on the outside world to find our own means of finance. If we do not overcome the crisis the crisis will overcome us. Meanwhile, official figures published this afternoon reveal that Portugal's trade balance deficit for the first ten months of 1976 stood at nearly Escudo 50bn. (E1bn.). Imports totalled Escudo 83bn. (E1.5bn.), exports totalled Escudo 43.9bn. (E850m.).

The EEC accounted for the majority of the country's imports and exports (42.4 per cent of the former, 51.4 per cent of the latter). The EFTA countries bought 16.3 per cent of Portugal's exports and provided it with 10.3 per cent of the country's imports.

Portugal's best single customer is still Britain, which provides 9.4 per cent of imports and takes 18.3 per cent of exports. As far as trade with the U.S. is concerned, Portugal's exports there only account for 3.2 per cent of imports from its American benefactors.

Polish officials accused

WARSAW, Jan. 4

POLAND'S Worker Defence Committee said today that the authorities in Radom, 50 miles south of here, had ruled the city by terror and lawlessness since the workers' riots in the summer.

The 26-member committee said in a statement that police had threatened workers, and that lawyers and observers had been beaten up inside Radom's court building. It said the authorities had known of the violence in the court building, and added that such acts demonstrated a contempt for law in Poland.

The statement called for a Parliamentary Commission of Enquiry to ask the Polish authorities to exclude Radom prosecutors from handling investigation procedures.

It said that committee member

Mieczyslaw Chojewski had been beaten up in the court building last week when he attended hearings against workers.

Earlier this week the committee said that the Radom Court had suspended five workers in a statement that police had threatened workers, and that lawyers and observers had been beaten up inside Radom's court building.

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Record Swiss reserves

ZURICH, Jan. 4

AT THE END of 1976, the foreign-exchange reserves of the Swiss National Bank reached a record level of Sw.Frs.20.42bn., as compared with Sw.Frs.14.7bn. a year earlier. Gold holdings were almost unchanged at Sw.Frs.11.9bn. (Sw.Frs.11.8bn.).

Reserve assets were considerably higher than end-of-year banknotes in circulation of Sw.Frs.18.73bn. (1976: Sw.Frs.18.12bn.).

The foreign-exchange positions were large as of December 31, due partly to substantial increases in foreign reserves. These included end-of-year swaps of up to one month totalling Sw.Frs.6.3bn. and two- and three-month swaps amounting to Sw.Frs.1.37bn.

Greek interest rates

The Bank of Greece rediscunt rate has been raised to 11 per cent. It was last raised from 8 to 10 per cent in October 1975.

Interest rates on bank credits were also raised by half a percentage point. Credits to industry for working capital thus carry an interest rate of 13 per cent.

The plight of Ireland's tinkers has been drastically worsened by economic development. Giles Merritt reports.

The open road leading to nowhere

AN ITEM in an evening paper shortly before Christmas may well have surprised strangers to Ireland: "Two barefooted youths surprised a woman selling newspapers in a Dublin suburb this morning and snatched her takings of 250."

Extreme poverty is rare in Britain nowadays, but for the crowds of prosperous Dubliners thronging the city's shopping streets in the pre-Christmas rush, the sight of the ragged, shabby, and child-like figures of Ireland's "tinker" problem is far from solved.

Summer tourists are constantly shocked at the sight of the straggling roadside encampments of caravans and makeshift tents that house the republic's itinerant population. Their occupants are the "travelling people" the outcasts of Irish society whose plight, the result of centuries of history, has only been worsened by recent decades of progress.

In Ireland today, one person in every 250 is a tinker—illiterate, unsettled and unemployed, if not actually unemployable. Living conditions are tough and life expectancy is so much so that almost 60 per cent of the 12,500 tinkers are under 14.

The proportion would be a good deal higher were not infant mortality rates usually four times the national average. Most tinker women will have had ten children by the age of 40, although often only six of them will have survived infancy. The other four will probably have succumbed to the respiratory diseases endemic in the travellers' noisome and overcrowded campsites.

Ireland's tinkers are not gypsies. The misleading similarity is their use of the brightly painted, barrel-topped Romany caravans that are, in fact, a legacy of the English gypsies who came to Ireland to escape conscription during the Great War.

They have been fairly limited. They are hindered by the twin stumbling blocks of the tinker's own increasing numbers—up 50 per cent in the past dozen years—and the open hostility of the "settled community."

The tinkers' high birthrate recently prompted a Galway nun to comment matter-of-factly that birth control was the greatest priority. "It is a very big problem," said Sister Bridget of the Little Sisters of the Assumption, "and has got to be solved. Some women with over 10 children are on the pill, and no chance on earth could condemn them for it."

But now, dismayed by the disappearance of their traditional livelihoods—one redundant tinsmith is even credited with the famously caustic remark: "Sure, and I hear they're now even using rubber bullets in the North"—the tinkers have had to turn to begging, stealing and the dole.

Unemployment benefit and family allowances for the travellers probably cost the Irish State something approaching £400,000 a year, while the Government-sponsored programme aimed at settling and educating them pushes the cost well above £1m. Perhaps belatedly—the first major official study of the itinerant problem was in 1963—the Irish authorities, aided by the Church and private charities, are now making a determined drive to improve the situation.

So steadily the tinkers have drifted towards Ireland's major cities. Nearly a quarter of them now live in Dublin, a 25-fold increase since 1945 and a phenomenon that often gives visitors to Ireland a disproportionate impression of urban poverty. But the cities are rarely more welcoming towards the tinkers.

City residents fear falling house-values or outbreaks of lawless behaviour when a mass of settle tinkers in their district and exert strong pressure to keep them out. This year of have been major rows of itinerant schemes in Dún Sígo, Monaghan, Limerick and, above all, the County of Galway where a special planned £200,000 housing estate is being opposed.

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AMERICAN NEWS

Ford proposes \$12.5bn. package to cut taxes

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 4.

PRESIDENT FORD today again recommended to Congress a \$12.5bn. tax cut package. This is the long-promised product of a tax-cutting President and the Congress is unlikely to pay any attention to it, preferring to wait for Mr. Jimmy Carter's plans to stimulate the economy. Nevertheless, Mr. Ford's proposals, though broadly similar to those rejected by the last session of Congress, are instructive in that some of them could form part of whatever Mr. Carter comes up with. The President's plan has already been widely discussed in the broad outlines of his plan sometime this week. Of the \$12.5bn. package, \$10bn. represents a permanent cut in personal income tax rates. Its principal feature is the raising of the 15 per cent. personal income tax exemption. The effect of this, plus a variety of other smaller measures, would, according to Mr. Ford, help middle-income Americans as well as the poorest. The \$2.5bn. corporate tax savings would result from a permanent cut in the maximum corporate tax rate from 48 to 46 per cent, a permanent extension of the 10 per cent. investment tax credit (which reverts to 7 per cent. in 1980), accelerated depreciation for new plant and equipment purchased for use in areas where unemployment is above 7 per cent, and the elimination of double taxation on corporate dividends. Mr. Ford is also proposing to balance this by an increase in social security taxes of 0.6 per cent. (half to be paid by employers and employees). In his message to-day he stated his view of last year that, without the aid of age and disability trust funds, he would be exhausted by the early 1980s. All this, and much more, had been largely ignored by the Congress when it was drawing up its mammoth Tax Reform Act of 1976. The principal architect of this was Senator Russell Long, who has written a bill for a man with his own ideas on tax reform. Mr. Ford will supplement his proposals with his budget, which he will present on January 17 and which will contain his blueprint for federal spending in the next fiscal year, starting in October. The budget is a much more significant document than the tax proposals, since Congress cannot ignore it as blithely and since Mr. Carter's new Government will find it hard to alter in

great substance in the month changes. Nevertheless, aspects of Mr. Ford's tax package to-day could crop up in whatever Mr. Carter advocates. Some form of personal income-tax action is probable (though it could take the shape of a rate on last year's taxes rather than a permanent rate cut) while measures such as these affecting the investment tax credit and accelerated depreciation could equally come into play. Mr. Ford did include in his message to-day a parting philosophical swipe at Democrats in general, whom he observed "in the long run, inflation and real economic growth constantly push taxpayers into higher and higher tax brackets if the tax law remains unchanged. Some believe that the additional tax receipts should be spent on new federal programmes. I do not. Instead, I believe that the Congress should periodically counteract the growing burden imposed by the tax system by providing offsetting tax cuts while continuing to restrain the rate of growth of federal spending." This, it would appear, is a firm clue that the Ford budget will be tight.

Carter will hand over interests to trust

By Jurek Martin

WASHINGTON, Jan. 4.

MR. JIMMY CARTER's agricultural interests will be placed in the hands of a trust while he is President, and he will sell all his relatively modest holding of common stock, he announced to-day. Members of his Government, the President-elect also said, would likewise have to divest themselves of financial holdings which might cause conflicts of interest, must fully disclose all forms of external income, and, in a departure from past American practice, must promise not to take any job when they leave Government related to the areas over which they have held jurisdiction for two years. All Mr. Carter's interests in Carter Warehouse and Carter Farms (the peanut concerns managed by his brother, Billy), his father's estate, and all property except his home, will be transferred to a trust. Income or principal will be paid to Mr. Carter only in cash. He will have no control over the trust; its reports to him will contain no more than the minimum tax information required by law. Mr. Carter is not a poor man; his assets have been declared at close to \$1m., while his income last year from the peanut operations amounted to about \$120,000. As President he will be paid \$200,000 a year, plus a \$50,000 entertainment allowance. He is not charged rent for the White House.

New York publishing house takeover bid

Murdoch into battle again

BY STEWART FLEMING

ONLY A week after taking control of New York's only afternoon newspaper, the New York Post, Mr. Rupert Murdoch, the Australian publisher, is embroiled in a fierce struggle for control of another New York publishing house: the New York Magazine Company. The company, which is quoted on the New York stock exchange, publishes two glossy magazines—New York, with a circulation of some 375,000, and New West in California, which has a circulation of some 300,000. It also owns the weekly New York newspaper Village Voice with a circulation of around 165,000. Since Mr. Murdoch announced at the week-end agreement of a number of New York Magazine shareholders to sell him over 50 per cent. of the company's stock, lawsuits have been filed to try to block the proposed \$15m. takeover, the staff of the magazine have threatened to strike in opposition to the Murdoch bid and warning noises are being made about the sudden emergence of Mr. Murdoch as a powerful force in the city's affairs. In the eyes of some observers, Mr. Murdoch has in the past few weeks since buying the afternoon daily, the New York Post, come from nowhere to the point at which with the purchase of New York Magazine, he would justifiably claim to be the second most powerful publisher in the city after the New York Times.

If the city itself were feeling more robust his sudden emergence might be accepted with more grace. But it is not thus Mr. Murdoch's intrusion into what is already a dainty political and economic situation is stirring resentment against the intrusion of a foreigner. Sensitivity is particularly heightened this year because of the forthcoming mayoral elections and the recognition that, by his own admission, Mr. Murdoch is a man who believes in getting involved in the editorial, as well as the business policies of his publications. At one level the fight for control of New York Magazine is a simple power struggle. In the first six months of last year the company went into the red with a loss of 13 cents on each of its 1.8m. shares compared with a profit of 9 cents in the first six months of 1975. The loss came in spite of a sharp increase in revenues, up from \$6m. to \$11m. over the two trading periods. But the increase in sales reflects in part the opening of the new, west coast version of New York Magazine, called Far West, which cost the company some \$4m. in start-up costs. Although circulation of Far West is twice that of the original New York Magazine, it is at a discount rate and there are some doubts about how it can be made profitable. The dispute about the future of Far West is what has led to the split in the Board between Mr. Clay Felker founder of the

company and editor of the magazine, and other directors. A crucial element in the split was the decision of one major shareholder, Mr. Carter Burden, a New York City Councilman, to that Mr. Felker mentioned the company's difficulties himself to Mr. Murdoch, perhaps not expecting Mr. Murdoch with whom he is friendly to intervene. When he did however, Mr. Felker approached another close friend in the publishing world, Mrs. Katharine Graham the powerful publisher of one of the country's most influential news groups, the Washington Post in an effort to persuade her to buy New York Magazine. Associates suggest that such a deal would have left Mr. Felker with his editorial position intact. Mr. Murdoch's group has however offered shareholders better terms than the Washington Post—\$2.25 a share against \$7.50 a share—which seemed to give him pole position in the race. Until that is Mr. Felker began the legal battles and found himself with what appears to be pretty solid support from his staff in opposition to the Murdoch bid. For Mr. Murdoch the opposition must have a bitter ring about it, for once again, as with the initial approaches from The Observer in London, much is being made of his record as a publisher of lurid and sensationalist papers. Even though his three most recent attempts at expansion via The Observer, the New York Post and now New York Magazine, appear to have been aimed at taking him into higher quality markets. Ironically there are suggestions



Rupert Murdoch

Opposition

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Fraser likely to head UAW

BY JAY PALMER

NEW-YORK, Jan. 4.

IN A MOVE clearly aimed at ending growing speculation about the possibility of a potentially damaging power struggle for leadership of the United Auto Workers (UAW) union, key executives of the union have publicly endorsed Douglas Fraser for president. Although such endorsements must be followed by a series of complicated electoral steps, it now seems virtually certain that Mr. Fraser will ultimately be named to succeed the union's current president, Leonard Woodcock, when he retires this spring. Mr. Fraser, who is currently one of the senior vice-presidents of the UAW, was the only formally announced candidate for the job. However, it was widely reported that three other vice-presidents had seriously considered running and had actively canvassed support within the union. Late yesterday evening Mr. Woodcock issued a statement dis-

cussing that the three men most frequently mentioned as possible challengers to Mr. Fraser had decided not to run for the union's top job. It is being assumed that the three decided they could not get enough support to win a seat of strength. Mr. Fraser, who has a reputation within the union as a political liberal, was a key protégé of the late Walter Reuther, who to all intents and purposes took over the union in the late 1940s and dominated it up to his death in 1970. Mr. Fraser was in fact Mr. Reuther's personal choice to take over as president but, in the 1970 election, Mr. Woodcock unexpectedly managed to gather more support. When the 60-year-old Mr. Fraser is elected, he will be eligible to serve two three-year terms. When he leaves, the last vestiges of the Reuther generation's strong influence over the 1.4m. strong union will come to an end.

As president, Mr. Fraser will be faced with several serious problems for the UAW. He will have to deal with the growing split between skilled and unskilled workers within the union, the relative scarcity of middle line executives and the problem of whether or not the union beats its split with the AFL-CIO, the U.S. equivalent of the TUC. The three major U.S. car manufacturers produced 28 per cent more cars in 1976 than in 1975, according to figures released by the companies to-day. Reuter reports from Detroit. Total car production by General Motors Corporation, Ford Motor Company and Chrysler Corporation in 1976 was 8,524,568, up from 6,651,293 in recession-ridden 1975. Chrysler recorded the largest percentage increase—38.6, and Ford the smallest, 13.6 per cent. Ford suffered a month-long strike in September. General Motors registered a 32.9 per cent gain.

Brazilian inflation now 46%

Brazil's inflation rate in 1976 rose to around 46 per cent. from 29.4 per cent. in 1975, Finance Minister Mario Henrique Simonsen has said in an interview with the Journal do Brasil newspaper. Reuter reports from Rio de Janeiro. Central Bank of Brazil figures show that this is the highest annual rate since 1966, the earliest year for which it currently publishes inflation figures. Mr. Simonsen estimated that the cost of living index for Rio de Janeiro, which is used as an indicator for all Brazil, rose by 44.5 per cent. during 1976 against 31.2 per cent. in 1975.

Mexican visit

Mexican President José López Portillo has accepted an invitation to become the first foreign head of state to visit Mr. Carter after his inauguration, according to Mexican embassy officials quoted in the Boston Herald. UPI reports from Boston. The visit could take place less than a month after Carter is sworn in, they said.

Nixon invited

Former President Richard Nixon has been invited to attend Mr. Jimmy Carter's inauguration, but has not said whether he will attend, Jurek Martin writes from Washington. According to protocol, former Presidents and first ladies are automatically invited to the ceremony.

Peronists accused

An Argentinian federal judge is investigating a charge that 22-year-old former Peronist cabinet minister José López Rega and José Bor Gelbard, who are accused of organising the extreme right-wing "Triple A" death squad, UPI reports from Buenos Aires.

Argentine kidnap

There has been no progress towards finding the internationally known educational philosopher and evangelist, Professor Maurice Lopez kidnapped on Saturday from his home in the Andean city of Mendoza, Robert Lindley reports from Buenos Aires.

Smaller Venezuela budget carried

BY JOSEPH MANN

CARRACAS, Jan. 4.

THE VENEZUELAN Congress has approved a \$5.5bn. federal budget for 1977. Despite resistance from the COPEI main opposition party, the ruling Acción Democrática Party carried through the 1977 spending programme. In 1976, the Venezuelan Government spent \$4.4bn., according to preliminary estimates. As usual, the Central Bank normally has the year-end spending total, which considerably surpassed the official budget estimates. Although the government had ap-

Chile exits from Pact

BY ROBERT LINDLEY

BUENOS AIRES, Jan. 4.

CHILE has now made official its withdrawal from the Andean Pact formed in July 1968, which bound it together in a common market with Bolivia, Colombia, Ecuador, Peru and Venezuela. The reason for Chile's withdrawal is the Pinochet regime's objection to the so-called decision 24 of the other pact countries regulating the entry of foreign capital and fixing common external tariffs. The military junta is trying to attract foreign capital and also considers Decision 24 an obstacle to Chile's development because of the high fixed common tariffs. There has been much opposi-

tion among Chile's manufacturers to the junta's pre-announced decision to withdraw from the pact. As Hugo Grisanti, general manager of Coreca, which exports compressor motors, said: "For us, this is a very hard blow. We sell less than 25 per cent. of our production in Chile." The rest of the other five Andean countries without tariffs. Now a 70 per cent. tariff will be levied on these motor exports into the market countries, and this—according to Sr. Grisanti—puts Coreca out of competition with Japanese, American, French and Brazilian exporters of compressor motors.

Panama wage restraint

THE GOVERNMENT of Panama has announced a package of economic measures, including wage restrictions, apparently intended to restore business confidence in the economy, which is in a recession. The Government yesterday imposed a 5 per cent. sales tax on most goods except food and medicine, cut income-tax for the lower paid and promised to reduce Government spending. It will also start a \$300m. investment programme this year to create jobs. New labour legislation freezes existing contracts between employers and unions for two years, while annual wage increases are to be pegged at last year's rates and no new concessions are to be allowed on hours or conditions. The law also makes it easier for employers to dismiss staff and the Government will be able to enforce compulsory arbitration to avoid strikes. Union leaders strongly criticised the package but business leaders welcomed the changes to the labour code, which has been a source of bitter controversy since it was passed in 1972. Last September economic difficulties sparked off the first serious rioting here in more than a decade when the Government increased the prices of some basic foods, Reuter

PANAMA CITY, Jan. 4.

Manley names Cabinet

JAMAICAN Prime Minister Michael Manley named a new Foreign Minister among changes in his Cabinet, following victory in general elections last month. He said that all ministers had agreed to a cut in salary. The main surprise was the move of Senator Douglas Thompson from Foreign Affairs to Mining and Natural Resources, where he succeeded Mr. Allen Isaacs who was expected from the ruling People's National Party last year. Mr. Percival Patterson, formerly at Industry, Tourism and Foreign Trade, takes over the Foreign Affairs portfolio.

KINGSTON, Jan. 4. Mr. Manley has set up two new ministries—Parliamentary Affairs and a National Mobilisation Ministry which is meant to raise productivity. Dr. D. K. Duncan, Secretary of the P.N.P., is the Mobilisation Minister. Former Labour Minister Mr. Sydney Pagon was dropped from the Cabinet and the former Mayor of Kingston, Mr. Ralph Brown, was appointed Minister for Local Government in place of Mrs. Rose Leon, who lost her parliamentary seat in the election. The new Cabinet is: Minister of Defence—Michael Manley; Finance and Planning—David Coore; Foreign Affairs, Foreign Trade and Tourism—Douglas Patterson; Housing—Anthony Spaulding; Education—Eric Bell; Public Utilities and Transport—Horace Clarke; Mining and Natural Resources—Dudley Thompson; Local Government—Ralph Brown; Youth Development and Sport—Hugh Small; Labour—William Isaacs; Health—Douglas Manley; Agriculture—A. L. H. Thompson; Social Security—Winston Jones; National Mobilisation—D. K. Duncan; Workers—Ernest Peart; Justice and Constitutional Reform—Carl Rotray; National Security—Kebble Munn; Public Service—Howard Cooke; Parliamentary Affairs—Kenneth McNoll; Industry and Commerce—Vivian Blake. Reuter

New Issue January 5, 1977

FEDERATIVE REPUBLIC OF BRAZIL

U.S. \$ 75,000,000 9 1/4 % U.S. Dollar Bearer Bonds of 1977/1984

Table listing various banks and financial institutions such as Deutsche Bank, Merrill Lynch International & Co., Banque Arabe et Internationale d'Investissement (B.A.I.I.), etc.

This advertisement appears as a matter of record only



OVERSEAS NEWS

Rabin embarks on attempt to form new government

IN THE WAKE of the suicide yesterday of the Minister of Housing, Mr. Abraham Ofer, Israeli Premier Ephraim Katsir today formally asked Premier Yitzhak Rabin to try to form a new Government. There is no chance of Mr. Rabin being able to put together a new administration commanding a majority in the Knesset, but the President is obliged by the constitution to ask the candidate most likely to succeed.

Phalangist bomb revenge threat

LEBANON'S Right-wing Phalangist Party has threatened retaliation following the bomb explosion in Ashrafiya last night in which 35 people are reported to have been killed and another 53 wounded.

Vote promised for Philippine Moslem rebels

MANILA, Jan. 4. PRESIDENT Ferdinand Marcos said today that a plebiscite must be held in 13 southern Philippine provinces to determine which of them wanted to join a proposed autonomous region.

Syria-Iraq pipeline row

THE SYRIAN Government has reacted with anger to the announcement on Baghdad Radio that the 625-mile oil pipeline from Iraq's northern fields to Doryol on the Turkish Mediterranean coast is now open for use.

India offers growth aid

INDIA today offered to help other developing countries in their industrialisation programmes on the basis of her achievements in technical manpower development, consultancy and design services, standardisation and quality control.

Unrest in China seems under control

THE LEADERSHIP in Peking appears to have the situation in China well under control and to be looking forward relatively confidently to implementing pragmatic economic policies in the coming year.

First fall in Japan's reserves for a year

TOKYO, Jan. 4. JAPAN'S foreign exchange reserves fell in December for the first time in 12 months, taking some of the pressure off Mr. Takeo Fukuda, who is preparing his first budget as Prime Minister for release around January 20.

Meetings

The Prime Minister, though, is devoting most of his energies to the 1977 Budget, although his long-time friend, Mr. Hideo Bo, will actually present it to Parliament in his new capacity as Finance Minister.

Singapore arrest of journalist

SINGAPORE, Jan. 4. HO KWON PING, Singapore correspondent of the Far Eastern Economic Review, the Hong Kong-based weekly, was arrested this morning and later released on bail.

ON OTHER PAGES

International Company News: Swedish Match/Kema Nord. Fiat meeting. 23/24. Farming and Raw Materials: New Zealand wool and dairy products. 21.

WORLD TRADE NEWS

EEC makes concessions at Geneva negotiations

THE FRIST concrete results of the "Tokyo Round" multilateral trade negotiations, in the shape of concessions on tropical products, came into effect at the beginning of the year.

Clothing sales abroad rise

Britain's clothing and knitwear exports in the first 11 months of this year, provisionally totalled 2372m. up 55 per cent on the corresponding period last year.

No dumping

The Department of Trade has completed its investigation into the allegation that the five glass single vision lenses for spectacles originating in Brazil were being imported at prices which constituted dumping.

Major offshore deal with Russia likely

THE British offshore oil industry that negotiations concerned British help in the exploitation of oil fields in Russia's Caspian Sea is hoping to win a major oil technology contract in Russia.

Seaboard cuts rates

SEABOARD World Airlines, the new air cargo airline, is to match the U.S. air cargo rates that the U.S. Board has rejected on the North Atlantic between the U.K. and the U.S.

Container service to Beirut to be resumed

A MARK of confidence in the effectiveness of the cease-fire in the Lebanon has been given by the British shipping company, Manchester Liners, which is to resume a container service to Beirut after a gap of 17 months.

World Economic Indicators

Table with columns: Country, Industrial Production 1970=100, % change on year. Rows include U.K., Japan, Germany, U.S.A., Italy, Holland, France, Belgium.

AUSTRO-BRITISH TRADE

OLD grievances remain

SOME SIX years ago Britain moved to third position among Austria's major suppliers, surpassing neighbouring Italy, and was well placed to overtake Switzerland, the number two supplier.

Morgan Grenfell in £150m. financing

MORGAN GRENFELL, acting on behalf of the London and Scottish clearing banks, has signed a financial agreement with Acominas of Brazil, providing finance up to £150m. for contracts to be concluded between Dary Ashmore International and Acominas for the construction of major elements of the planned Minas Gerais iron and steel works.

Herbert in Mexican venture

ALFRED HERBERT, the National Enterprise Board subsidiary, is to play a major part in the expansion planned for Mexico's machine tool industry.

Saudi oil plant

Chiyoda Chemical Engineering and Construction and Mitsubishi have jointly reached a basic agreement with Saudi Arabia's Petroleum to supply oil-refining plant worth over £300m.

Polish loan

The U.S. Export-Import Bank's preliminary commitment to provide a \$163m. loan for a truck factory project in Poland has expired.

BOTB fairs

In the three months January to March 1977, 10 of 36 British companies, supported by the British Overseas Trade Board, will be taking part in 101 overseas trade fairs in 23 countries.

TV measures

The Canadian Government yesterday announced measures to assist Canada's troubled television manufacturing industry.

New ferry

The Dutch Zeeland Steamship Company, which runs the Hoop of Holland car ferries link joining with British Rail, has ordered a new passenger-car ferry.

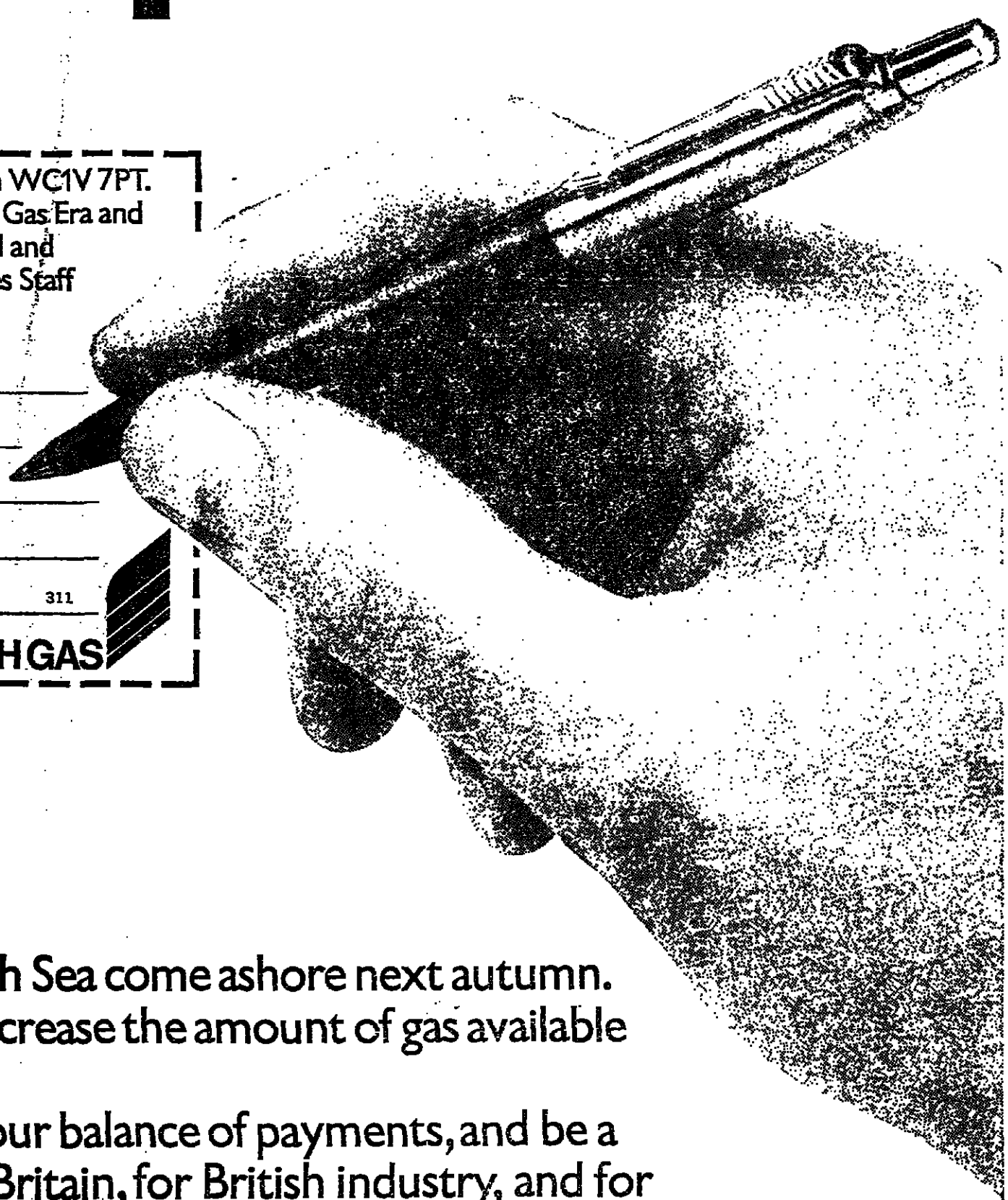
Aeroflot in Cyprus

The Soviet airline Aeroflot will be using Cyprus as a stop-off point for increased flights to Africa and Asia, it was announced here.

JP 1000 L150

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Please send me a brochure about the New Gas Era and increased Gas supply available for industrial and commercial use. Also ask the Technical Sales Staff of my Gas Region to get in touch.


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311 

Big new gas supplies from the North Sea come ashore next autumn. When fully operational they will increase the amount of gas available by nearly 40%.

This will give a great new boost to our balance of payments, and be a valuable new asset for years to come, for Britain, for British industry, and for your company.

Some companies couldn't get as much gas as they needed before. They missed the convenience, economy, and cleanness of gas, and the opportunity it provides for increasing productivity and plant efficiency. That's why so many companies are putting their names down now, for when the new supplies come ashore.

Now's the time to start planning. Don't wait until everyone else has signed up. Send in the coupon above.

The Technical Sales Staff of your Gas Region will get in touch with you - ready to talk business now for the New Gas Era. They'll be able to determine your accessibility to a gas supply, help you plan your future needs, and tell you about energy saving through our Technical Consultancy Service.

Get your name on the list now. Autumn's nearer than you think.

The British Gas Technical Consultancy Service helps you get the maximum value from every therm of gas used, by advising on the most efficient application by industry and commerce.



Join the New Gas Era

Morgan Grenfell
n £150m.
ancing

Herbert in Mexican venture

oil plant

Polish loan

BOB fairs

TV measures

New ferry

Aeroflot in Cyprus

HOME NEWS

Whisky explosion could cost £20m

By Ray Peman, Scottish Correspondent

POLICE AND firemen will try to-day to discover the cause of an explosion and fire which destroyed two warehouses at a container depot near Glasgow and damaged a neighbouring power station and thousands of houses within a radius of several miles.

A full assessment of the cost will have to wait until the owners of goods can all be interviewed but it could be as high as £20m.

The explosion, just after noon, was the third over the holiday period, but unlike the others at South London and Bristol, it is not thought to have been caused by a gas leak.

The explosion occurred in a general cargo shed containing chemicals, tyres and combine harvesters among other goods, and the fire spread to a bonded store which held whisky for export.

The depot, at Braehead Renfrew, is owned by the Clyde Port Authority.

Serious casualties were avoided because the depot was closed for the Bank Holiday. Six people were injured, including a watchman and a security man. Five of them were allowed home from hospital after treatment.

Witnesses said they saw 300-ft high flames and some debris fall in Clydebank on the other side of the River Clyde.

Mr. Richard Knowlton, the Strathclyde Firemaster, said that burning whisky from the bonded store ran across the road to a shed next door containing whisky owned by the Distillers Company escaped undamaged.

Earl leaves £11m. land

THE FIFTH Earl of Leicester, who died in September, aged 68, left settled land valued at £11,218,526, it was disclosed yesterday. His unsettled estate was valued at £37,950 gross, £35,136 net.

The earl was an extra equestrian to the Queen. He owned the 29,000-acre Holkham estate in Norfolk. The family home, Holkham Hall, is one of England's showplaces.

Varley seeks NEB talks on Leyland production

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MR. ERIC VARLEY, the Secretary for Industry, has called for talks with the National Enterprise Board about ways to increase output by Leyland Cars.

Continuity of production and freedom from internal and external disputes, such as that at Rotherham, the components supplier, are important for the company to achieve the output targets set in the 1977 business plan approved by the NEB.

However, the trade unions have issued a warning that output may be threatened unless moves are made under the next phase of the Government's pay policy to remove some of the wage anomalies and differentials.

The next 12 months will be crucial for Leyland Cars, where output is about seven vehicles a month. This compares with Continental levels of about 12 cars a year, which the Govern-

ment and NEB want to see achieved by 1980.

Both the Government and NEB are known to be pleased with assurances given by the workers about productivity advances planned for the new Mini scheduled to be launched in 1978.

Concern centres on the more immediate problems of low output. Mr. Varley did not delay approval of the £140m. Mini programme by calling for talks. But both NEB and Department of Industry officials are monitoring the position.

Mr. Varley plans to examine with Lord Ryder, chairman of the NEB, what can be done to help overcome the short-term problems.

Leyland Cars is already preparing a joint management-union appeal to the Govern-

ment for more flexibility when the present phase of pay policy ends in July.

Meanwhile, pressure is building up from workers for concessions on the pay. The unofficial, but powerful, British Leyland shop stewards combine seems likely to support a militant resolution next month from the 18,000 workers at the Longbridge plant.

The resolution serves notice on the Government that wage restrictions, whether voluntary or imposed, will not be supported after July.

Stewards representing about 15,000 Rover workers will press for a national conference of trade unionists to discuss a return to free collective bargaining. TUC and Labour Ministers will be invited, but the intention is clearly to put pressure on the trade union leadership

Hawker Siddeley to cut 450 jobs

By Michael Donne, Aerospace Correspondent

HAWKER SIDDELEY Aviation told trades union representatives at its Brough, Yorkshire, factory yesterday that this week it will be giving redundancy notices to 450 of its 4,750 workers, because of shortage of work.

The Brough plant is one of the main BSA production centres, where work has been carried out on fuselages for Trident jets for China, and on Buccaneer fighters for the Navy and RAF, on Harrier jump-jet fighters, and on the Hawk trainer for the RAF.

HSA made it clear yesterday that because the last Trident fuselage has now left the factory, and because the last Buccaneer will leave the plant in mid-1977, the overall workload is declining. There is still some work on Harrier, while work on the Hawk (of which 175 have been ordered for the RAF) is building up.

The company hopes that about 100 of the 450 redundancies may be saved as a result of the Government's special subsidy to help maintain employment. But it says that the workforce must run down with it.

HSA also makes it clear that the redundancies have nothing to do with the impending nationalisation of the company through the Bill now before the House of Lords.

Lack of orders The workload has been declining for some time, and the prospect of redundancies has been increasing, especially because of the lack of new orders for Tridents in the wake of the financial state of the world airline industry, and the lack of a new major civil airliner programme with which to replace it.

This lack of new civil work to replace declining Trident orders is a cause of concern throughout the aerospace industry, felt by other companies as well as HSA, and it is the subject of much international discussion with European and U.S. companies in a bid to find new collaborative programmes.

Throughout the industry, it is recognised that, unless some new civil programmes can be settled soon, further redundancies may have to occur before the end of 1977.

Heavy drinking bigger problem than strikes, report suggests

BY KEVIN DONE, INDUSTRIAL STAFF

EXCESSIVE DRINKING could be costing industry as much as £500m. a year in impaired performance and efficiency according to a National Council on Alcoholism working party report.

The report suggests that the number of days lost through the effects of alcohol abuse is probably far greater than the time lost through strikes and stoppages.

But despite the size of the problem, little attention has been paid to its impact on industry and commerce in Britain, the report adds.

Sir Bernard Braine, Conservative MP for South east Essex and chairman of the working party, said yesterday: "Even where there is a glimmering of understanding of the problem, there has been a general reluctance to face up to its implications."

The costs of alcohol abuse in industry appear to be even greater than the working party had envisaged, said Sir Bernard. "Whereas the average time lost due to sickness by all workers was 16.5 days a year, in the case of excessive drinkers it was over five times that figure."

Six million working days had been lost in 1976 through strikes and stoppages, but it was probably relatively small compared with the number of days lost by excessive drinking, "if only this making skills throughout industry. It causes accidents on the shop-floor and adversely affects vital decisions made in boardrooms and Government offices."

The report of the Working Party on Alcoholism, 45 Great St. Peter Street, London S.W.1P 3LT.

greater pressure and tolerance of heavy drinking," says the report.

The report says that alcohol affects judgment and decision-making skills throughout industry. It causes accidents on the shop-floor and adversely affects vital decisions made in boardrooms and Government offices.

The report of the Working Party on Alcoholism, 45 Great St. Peter Street, London S.W.1P 3LT.

Reports supplied by representatives of the Ship of Great Britain.

SCOTLAND Calveleys—Main runs all complete. Lower slopes, ample masonry areas. Very wet snow. Vertical runs 1,500 feet. Access roads clear. Snow levels 1,500 feet.

Forecast: Rain, heavy at times. Mild. Freezing level above mountain tops.

SNOW REPORTS

Table with columns: Depth State (cm.), of Weather, L U F, Depth State (cm.), of Weather, L U F. Includes reports for St. Anton, Tignes, Zermatt, Bad Völs, and various Scottish locations.

Licence threat to Amoco over BNOC issue

BY RAY DAFTER, ENERGY CORRESPONDENT

AMOCO, one of the major North Sea operators, may be left out of the latest round of exploration licences because of its continued opposition to the Government's new State participation terms.

The Government is expected to announce the preliminary list of fifth round licences later this month or possibly early in February.

Mr. Anthony Wedgwood Benn, Energy Secretary, has made it plain that companies that had not agreed in principle to State participation in existing fields— at least, given a pledge that they would agree to work in the danger of being left out of the new allocations.

Shell and Esso, which initially opposed the concept of British National Oil Corporation involvement in their operations, have already agreed to agree. The companies are expected to sign an outline participation agreement to-day.

With this agreement behind them, the Government and BNOC negotiators will turn their attention to the few major companies that have still to agree; among them are Mobil and Amoco.

It is understood that Mobil will soon resume negotiations, and although Amoco's attitude to the proposed terms of participation appears to be more resolute.

During the detailed discussions in recent months Amoco has made it clear that it is not opposed to the concept of State participation. It is already a partner with the British Gas Corporation in many North Sea fields. But it is unhappy about the terms of BNOC's involvement in offshore operations, as outlined by the Government.

Amoco, which is operator of the Montrose Field and the southern indefatigable, Leman and Rough gas fields, is not convinced of the overall attractiveness of the fifth round of licences. Indeed most North Sea operators feel that of the 71 blocks and part blocks put up for offer, less than ten contain really promising structures.

In view of this, Amoco may take the view that the fifth round is not sufficiently tempting to make it worthwhile accepting participation terms which, it feels, could be commercially inhibiting.

It was expected that the Government would make the preliminary award of licences in December. However, the problem in assessing applications and to complications of participation, has delayed the announcement.

Tory move to exclude Wales from Bill

By Philip Rawstone

THE CONSERVATIVES will mount a major effort in the Commons next week to exclude Wales from the Government's devolution Bill.

Mr. Nicholas Edwards, Tory spokesman for Wales, last night predicted a close vote on the issue on the first day of the Bill's marathon committee stage on Thursday week.

Mr. Edwards said at Haverfordwest: "Believing as we do that the scheme proposed for Wales is fundamentally unsound, we have a duty to oppose it with all our energy."

There were those who argued that now that the Government had conceded a referendum, the Bill should be allowed to pass so that the people could have the final say. "I reject that proposition. Parliament cannot abdicate its responsibility in that way."

There was no "excuse for reducing the height of the Parliamentary hurdle that the Bill must overcome."

"We in the Conservative Party will seek to safeguard the people of Wales from this monstrous folly. We will use every Parliamentary weapon that is available to us to do so."

"We hope that those in other parties who share our views about this measure will be as steadfast in their opposition."

Phase 3 must give incentives to management, says CBI chief

BY ADRIAN HAMILTON

INDUSTRY WILL support the early negotiation of a further phase III wage restraint beyond next July but it will have to contain a real and substantial move towards more incentives for management, Lord Watkinson, president of the Confederation of British Industry, said yesterday.

He stressed in an interview that the major issues for industry in 1977 would be the form of phase III wage restraint, which would be a general norm, preferred by a large and quite possibly a majority of companies, which would be negotiated between the Government and the trade unions. In this the CBI would have no part. If our membership is clear on anything it is that industry wants nothing to do with the social contract or that real economic growth on the type of negotiation.

Over and above that, however, there would be a second leg setting a limit—say 5 or 6 per cent—for productivity deals. This second leg contains dangers, and the main object would be to set up criteria that were real. But we have been doing a considerable amount of work on value-added measurements such as the Japanese have successfully employed, and we will be putting these ideas to Treasury officials.

The third leg of the deal would be tax incentives for management and for the lower paid. It's not easy, particularly in view of the cost of doing so, but it is essential that the Government makes at least a start towards reducing higher tax rates which can take into rates.

"All the publicity so far has been given to the top band, which is perhaps an unrealistic way of looking at it. Much better may be some adjustment of the higher rate bands, which would be pressing for in our Budget representations next month."

The question of continuing price control, Lord Watkinson admitted, had not really been worked out by the CBI.

He said he had always felt that some form of price control was the necessary price of wage control. He felt hopeful that the Government was thinking of a fundamental review of the system, and he argued that the CBI membership opposed to price intervention even if most companies were still working well within their permitted margins.

As to employee participation in companies, Lord Watkinson again suggested that the CBI would approach the issue in several stages.

It was totally opposed to the Bullock Committee terms of reference, imposing a fixed structure of participation at Board level. It would try to persuade the unions to join it in seeking more flexible arrangements rather than compulsory representation on Boards—doubtful as it was whether this move would succeed.

If a Bill was introduced on the lines of the Bullock proposals then, he declared, "the CBI would move into all-out opposition, using every weapon at its disposal."

BOND DRAWING

European Coal and Steel Community (E.C.S.C.) U.S.\$500,000,000 — 7 1/2% 15 Year Bonds of 1974 due 1st February, 1989

The Commission of the European Communities informs herewith the bearers of bonds that a selection by lot for a principal amount of U.S.\$500,000 has been made for redemption in the presence of a Notary Public on 23rd December, 1976 by The Chase Manhattan Bank N.A. New York.

Numbers of bonds selected by lot: Registered Bond No. R-1 (Principal Amount \$5,000) and \$1,000 Bonds, prefix M, serial numbers—

Table with columns: Bond No., Principal Amount, and serial numbers. Lists bond numbers from 1108 to 49274 and their corresponding principal amounts.

Principal amount unamortised after February 1, 1977 U.S.\$49,500,000. The bonds selected by lot will be reimbursed on or after February 1, 1977, with coupons of February 1978 and following attached in accordance with the terms of payment mentioned on the bonds.

4th January, 1977

New Issue January 4, 1977

All of these bonds having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D. C.

DM 250,000,000 7% Deutsche Mark Bonds of 1977, due 1987



Interest: 7% p. a., payable on January 1 of each year
Redemption: on January 1, 1987 at par
Listing: at all German Stock Exchanges
Issue Price: 99%

Table listing participating banks: Deutsche Bank, Dresdner Bank, Berliner Disconto Bank, Bankhaus H. Aufhäuser, Bayerische Landesbank, Bayerische Vereinsbank, Berliner Bank, Bremer Landesbank, Richard Daus & Co., Deutsche Girozentrale, Conrad Hinrich Donner, Hamburgische Landesbank, Hardy-Sioman Bank GmbH, von der Heydt-Kersten & Söhne, Landesbank Saar, E. Metzler seel. Sohn & Co., Oldenburgische Landesbank, Gebr. Röchling Bank, Schröder, Münchmeyer, Hengst & Co., J. H. Stein, M. M. Warburg-Brinckmann, Wirtz & Co., Württembergische Bank, Badische Bank, Bayerische Hypotheken- und Wechsel-Bank, Joh. Berenberg, Gossler & Co., Berliner Handels- und Frankfurter Bank, Commerzbank, DG Bank, Deutsche Genossenschaftsbank, Deutsche Unionbank G.m.b.H., Hallbaum, Maier & Co., Handels- und Privatbank, Georg Hauck & Sohn, Bankhaus Hermann Lampe, Landesbank Schleswig-Holstein, National-Bank, Sal. Oppenheim jr. & Cie., Saarländische Kreditbank, Schwäbische Bank, Trinkaus & Burkhart, Westfälische Bank, Württembergische Kommunale Landesbank

Handwritten Arabic text: 5000 من الالمان

HOME NEWS

Post Office cuts 'would cost more than they save'

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE POST OFFICE'S plan to save £220m. by cutting its investment programme would cost the nation far more in terms of redundancy pay, social security and other payments, according to its equipment suppliers.

Post Office order cuts. Because of the delay between ordering and delivery, the Post Office expects to save only £100m. of the £220m. in expenditure terms by April, 1980, the remaining £120m. following by 1983.

Over 7m. tourists in nine months

BY ARTHUR SANDLES

MORE THAN 7.25m. foreign tourists came to Britain in the first three-quarters of 1976, topping the total for the full year 1974 and within 1m. of the record-breaking 8.1m. figure.

Air passengers up by 10%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S airlines carried 580m. passengers last year, nearly 10 per cent more than in 1975.

Birds Eye will spend £4m.-plus on plants

Financial Times Reporter

THE UNILEVER frozen food subsidiary, Birds Eye, is to spend £3.5m. on modernising its beefburger production at Yarborough.

'Difficult to extend incomes policy'

THE DROP in living standards expected next year will make it very difficult for the U.K. Government to continue with an effective incomes policy, Mr. C. D. M. Worswick, director of the National Institute of Economic and Social Research, argues in the latest Lloyd's Bank Review.

Mr. Worswick takes the view that "some form of incomes policy is needed as a permanent support to demand management in maintaining full employment."

M. East rise

During the third quarter there was a 6 per cent rise in traffic from North America, 30 per cent from the Middle East and 24 per cent from Western Europe.

MP calls for toll on foreign lorries

A FORM of road toll should be imposed on Continental commercial vehicles arriving in Britain, Mr. Marcus Fox, Tory MP for Shipley, said yesterday.

Hopes for rail fare stability this year

RAIL FARES, which went up by an average 12 per cent on Sunday, will not rise again before the autumn, and it is possible that there will be no further increases this year.

at risk and "the ability to hold the exchange rate remains critical."

Warning of Soviet submarine threat

THE SOVIET submarine threat to Western shipping in a future war would be "incomparably greater" than that posed during the Second World War by the German U-boats.

Policy reversal

Torota is to re-introduce its Celica 1600 GT coupé model to the U.K. The company says that this reversal of its policy has been caused by renewed public interest in the vehicle following recent competitive successes.

Supercover advance

Leyland Cars is to improve its Supercover scheme for new car buyers to give second year AA cover at an advantageous rate and to allow the second year costs to be included in the hire-purchase arrangement.

Rate unchanged

Finance House Base Rate will be unchanged at 15 per cent for January, the Finance Houses Association announced.

Long-term interest

A modest fall in long-term interest rates, coupled with a rather more marked reduction in short-term rates, is expected by stockbrokers Wood Mackenzie, in their latest monetary assessment.

Mr. Jenkins's seat at Stechford will provide another critical test.

New oil brand

Lucas Services, the distribution branch of Lucas Industries, is to retail its own brand of lubricating oil. The company said that the new oil would be complementary to its other do-it-yourself products such as plugs, points and filters.

Notice of Redemption

Copenhagen Telephone Company, Incorporated

8 1/2% Sinking Fund Dollar Debentures due February 1, 1986

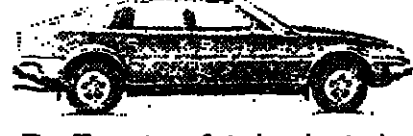
Table with columns for Coupon Debentures of \$1,000, Principal Amount Outstanding, and various identification numbers.

The Debentures specified above are to be redeemed for said sinking fund at the Corporate Bond Services Department of the Trustee, 111 Wall Street, New York, New York 10015.

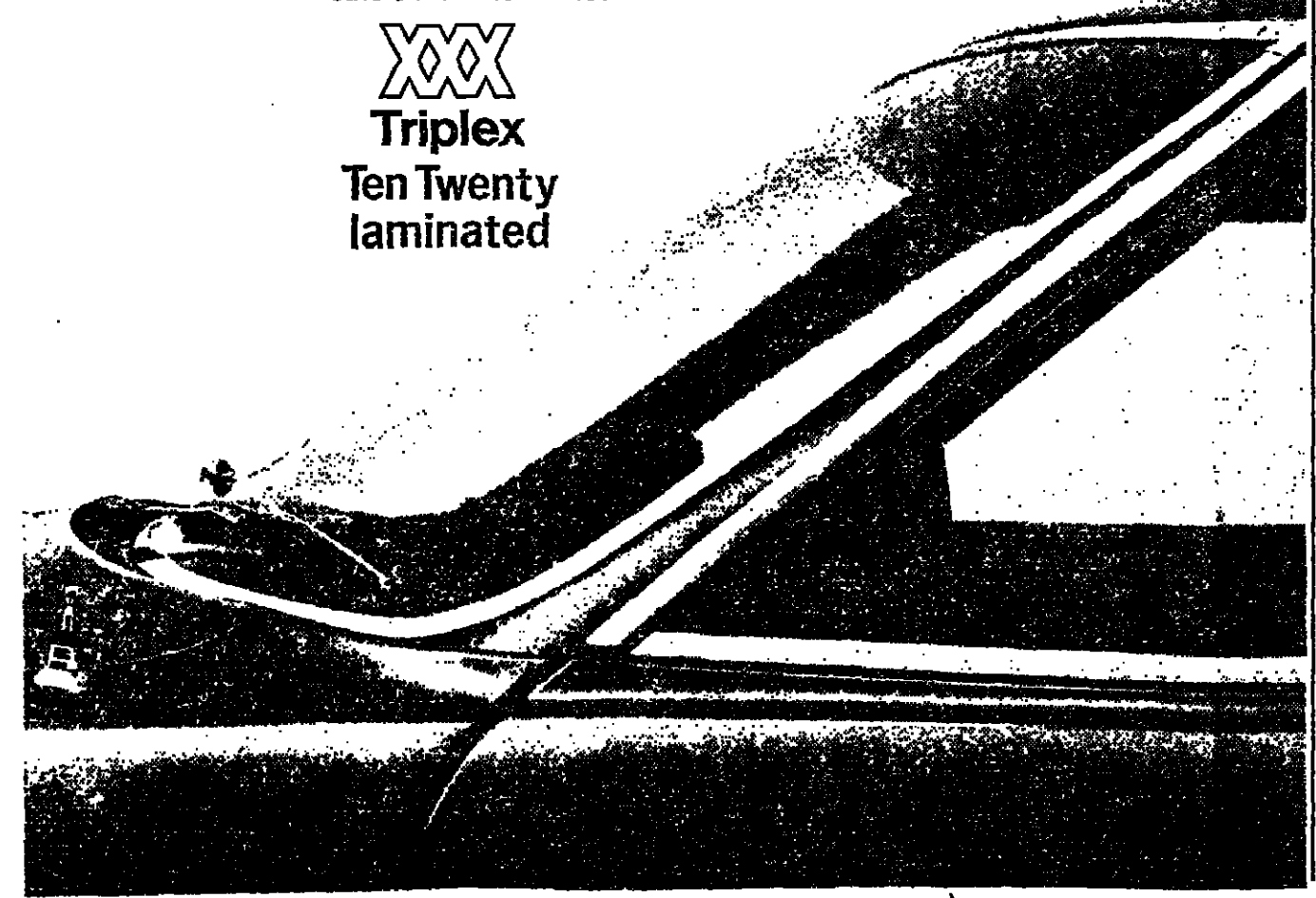
For COPENHAGEN TELEPHONE COMPANY, INCORPORATED

By CITIBANK, N.A., Trustee

Europe's Car of the Year is fitted with the safest windscreen we've ever made. And that's no accident.



The new Rover 3500 from Leyland Cars has been voted 1977's Car of the Year by a panel of 49 experts from 6 countries.



Triplex Ten Twenty laminated

Satellites

Commenting on the growing Soviet missile threat, he says that the Soviet SS-N-3 submarine-launched anti-ship missile with a range of up to 650 kms. (about 400 miles) is possibly the first to use information on targets gathered by earth-orbiting satellites.

Advertisement for DUNCANSON & HOLT, INC. featuring THE ROCHDALE INSURANCE COMPANY and CO-OPERATIVE INSURANCE SOCIETY, LTD. Includes logo and contact information.

Handwritten Arabic text at the bottom of the page.

HOME NEWS

Agency will devise plan to stir Scottish economy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Development Agency will soon begin drawing up a master plan identifying areas of the economy in which it will look for opportunities to intervene in order to strengthen existing companies or help new ones to be set up.

The planning officer will head a small unit and also coordinate the thinking of other senior members of the agency staff. One of the areas they are known to be considering already is component supplies to the motor industry.

British Leyland is concerned that only 4 per cent of parts for its Scottish commercial vehicle factories are made in Scotland and has asked the agency to try to improve the local share.

Input-output

By joining up with the Scottish Council research institute the agency will gain access to a wealth of detailed information on the Scottish economy produced by the input-output model, which the council has developed with the Fraser of Allender Institute.

Leith has hopes of £8m. ship order

ROBB CALEDON, the Scottish shipbuilder, is close to signing an order which could greatly reduce the number of redundancies threatened at the company's yard in Leith.

The deal, if successful, would end the 11-month order famine which forced the company to announce last week that three months' notice of redundancy would be given to 237 workers this month.

At best the order would be for four small roll-on roll-off container ships and would probably be worth more than £8m. Identity of the probable purchasers is a close secret, although London shipbrokers have been linking the Scindia Steam Navigation Company of India with the negotiations.

U.K. ports experience revival

By Our Shipping Correspondent

BRITAIN'S PORTS are now busier than at any time since 1974, says the National Ports Council whose latest quarterly bulletin states that total traffic in the first nine months of this year was 6 per cent higher than the slump levels of 1975.

From January to the end of September, fuel imports into Britain were 4 per cent down on 1975, while fuel exports leaped by 57 per cent.

At the same time, container and roll-on roll-off traffic showed an impressive rise of 16 per cent on 1975.

Poor output record by State industries

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

OUTPUT HAS declined from its 1962 level or remained static in five of the nine main nationalised industries, according to a National Economic Development Office paper published yesterday.

However, output at British Airways, Post Office telecommunications and British Gas has grown much faster than in manufacturing industry generally.

British Steel Corporation and the National Freight Corporation had seen output decline by about 4 per cent a year, and National Bus by 2 per cent a year.

Output of British Rail and the postal side of the Post Office had been stagnant.

New regulation for jib cranes

ALL telescopic jib cranes used in the construction and shipbuilding industries will have to carry new indicators from January 1 next year showing what safe working loads are for different working conditions.

COMPANY NOTICES

COMPAGNIE NATIONALE DU RHONE 10% 1975/1976/1982 Loan of US\$ 25,000,000 The redemption on 1st February 1977, for which a sum of US\$ 1,250,000 is planned, has been drawn.

DRAWING At drawings made in December 1976, in the presence of Messrs. J. J. Stewart, Deposit Certificates in respect of Bonds THE GERMAN BEICH 4% EXTERNAL LOAN OF 1930

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Handwritten Arabic text: سكران المال

LABOUR NEWS

£2 pay dispute threatens to halt Cammell Laird

By CHRISTIAN TYLER, LABOUR STAFF

ARGUMENTS OVER a £2 productivity payment to shipyard workers that was made and withdrawn 18 months ago are suddenly threatening all work at Cammell Laird's yard at Birkenhead, near Liverpool.

Last night about 450 skilled men—platers and shipwrights—left work saying they would not be back in the morning, in spite of attempts by leaders of the Boilermakers Society to prevent a strike.

If the strike is prolonged, the company will have to lay off the rest of its 4,250 manual workers; with consequent damage to its chances of securing new orders—in particular the contract to build a missile destroyer for the Royal Navy.

The men are demanding that

the £2 a week payment—which lasted for two weeks in July, 1975, before a flexible working plan was rejected—should be restored in spite of the strictures of the pay policy. The company, under the direction of its 50 per cent shareholder, the Government, is standing firm.

This latest dispute could further delay an already slipping shipbuilding programme. At present, the company is building a Type 42 guided missile destroyer for the Navy and five 55,000-ton product carriers for a private client.

According to a local union official yesterday the claim conceals accumulated grievances about the way skilled pay differentials have been eroded. He said some of the yard's skilled men were on a rate of £55 for a 40-hour week, which made them the poorest paid in Europe.

The company was working on a three-part plan for reforming pay and productivity when the incomes policy came into effect.

The first part—reducing to three the number of pay grades for Boilermakers' members—was agreed in 1974. The second part—a flexible working or "relaxation of working practices" proposal—was rejected in July, 1975, and the third, an incentive scheme, fell by the wayside.

Before the second part was thrown out, the company agreed to pay £2 a week to certain men for retraining. The plan was stopped when the plan would have meant pay rises for flexible working for all the boilermakers at the yard.

Types of preventing a prolonged strike appear to rest on the men agreeing to their union leaders meeting the management.

Doubts on scheme to retire early

By Alan Pike, Labour Staff

THE GOVERNMENT'S job release scheme, under which workers nearing retirement can leave early to make way for replacements from the unemployment register, came into force yesterday amid mixed feelings about its likely effectiveness.

Under the scheme, which applies only to assisted areas, men aged 64 and women of 59 can receive a £23 a week tax free allowance until they reach normal pensionable age. Workers who leave must be replaced from the unemployment register but the newcomer need not necessarily be appointed to the identical job.

Applications under the scheme have been open since November. More than 3,000 have been received so far.

A Department of Employment campaign to publicise the scheme, one of a series of measures to alleviate unemployment, begins this week. But many employers and union officials doubt whether the £23 inducement will be sufficient to make job release a major success.

The Belgian Government was disappointed by the initial response to a similar scheme last year and has now reduced its qualifying ages—originally 62 or over for men, and 58 for women—to 60 and 55. Although this scheme has some strict qualifications, including one that replacement workers must be aged under 30, the payments to retiring workers are normally worth about 75 per cent of former net pay.

Applications under the British scheme will not affect occupational pensions or retirement bonuses and applicants may seek supplementary benefits, if necessary, but not unemployment, sickness or other benefits.

Tractor plant strike costs £900,000 a day

A STRIKE at the Coventry tractor manufacturing plant of Massey Ferguson is costing the company £900,000 a day in lost sales, a management official said yesterday, when 700 employees were made idle.

The dispute, involving 900 assembly men, halted all tractor and farm machinery output just before Christmas. Yesterday pickets manned the factory gates, persuading many others not to go in, and also halting vehicles.

The dispute centres on 130 assembly men engaged on a special production track, where a time and motion study team is trying to establish job rates for pay. Employees involved have been accused by the company of not contributing a 100 per cent effort.

Fleet Street stoppages cost 25m copies

By OUR LABOUR STAFF

FLEET STREET'S Christmas and New Year stoppage over extra payments cost national newspapers 25m. copies.

Only the Daily Express and the Guardian appeared in London on Monday because of the dispute. The Financial Times, which was not due to publish on Monday, did not appear yesterday because of action over the same issue by members of the National Society of Operative Printers, Graphical and Media Personnel machine branch.

The Newspaper Publishers Association maintained throughout the dispute that payments for working during the holiday weekend, rejected as inadequate by some print union members, were the maximum possible under the pay policy.

Last week the Daily Mirror management, which is not part of the NPA, dismissed 425 National Graphical Association members when they failed to report for work during Christmas.

They were reinstated after accepting an agreement on payment for holiday working, but the paper still did not appear on Monday because of action by members of the Society of Graphical and Allied Trades.

The Daily Mirror agreement, similar to that offered elsewhere in Fleet Street, provided mileage allowances of up to £6.75 because of holiday transport difficulties and pre-shift payments of up to three hours to cover an earlier production start. These payments, the management calculated, were worth a maximum of nearly £11 and an average of about £9.

Drivers drop 'spy-in-cab' action

MILITANT LORRY drivers at Birmingham have called off their action, scheduled to start yesterday against the tachograph.

Mr. Alan Law, Transport and General Workers Union Midlands trade group secretary, representing 9,000 drivers, last night claimed victory in the campaign against what the union dubs "the spy in the cab".

The men had agreed to "put

action following a statement by Mr. William Rodgers, Transport Minister, that he had no intention of enforcing the compulsory installation of tachographs.

The drivers had warned that from today they would refuse to handle any lorries fitted with tachographs which came into the Birmingham area.

Mr. Law maintains that they have already achieved complete success in their refusal to take

out vehicles in which the measuring device is installed.

In the face of EEC regulations confirming its use, Mr. Rodgers has declared that the Government would prefer not to see the tachograph in Britain.

The Government is supporting the initiative by Mr. Jack Jones, the TGWU general secretary, for some form of EEC committee of inquiry to examine the U.K. case on tachographs.



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January, 1976

New Issue
January 5, 1977

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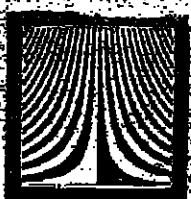
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The technical Page

EDITED BY ARTHUR BENNETT AND TED SCROETERS

ELECTRONICS

European situation analysed

THE FOURTH annual edition of the Mackintosh Yearbook covering the West-European electronics industry has been published.

As in previous years the main object is to answer the statistical questions posed by those who need to identify the buying and selling strengths of each country. In doing so, however, inevitable comparisons can be made between the countries themselves.

For example in 1976 the French exported \$619m of computer systems, the British \$47m and the West Germans \$455m. The figures for employment in this product area were 39,000, 43,000 and 49,000 respectively. Mackintosh 1977 production for total computer systems production are \$1,566m, \$1,062m and \$1,310m. There are no total computer production figures for 1975 but in 1974 they were \$1,158m, \$604m and \$1,134m for employment of 27,000, 33,000 and 41,000 for the three countries respectively.

In spite of the acknowledged problems of drawing hard conclusions from statistics, it would appear that the U.K. industry has something to learn from the French.

There is, however, another side to the coin: of the three countries the U.K. is, according to Mackintosh's figures, the only one that is a net exporter (by \$29m) of computer systems.

The picture painted of the telecommunications sector is also not as bright as the U.K. in 1976. West Germany exported \$555m against the U.K.'s \$153m, the French scoring \$232m. The three figures for imported telecommunications were \$79m, \$80m and \$33m—pointing up the "home made" nature of European telephone networks but degrading the U.K. position still further at the same time. Students and critics of the industry will no doubt once again point to the fact that the U.K. has very little to offer in terms of exportable P.T. equipment.

The sections dealt with by the report cover computer systems, control and instrumentation, communications, telecommunications, consumer and components.

For the electronics industry for 1977 Mackintosh predicts total production by West Germany, France and the U.K. to be \$11,557m, \$9,340m and \$8,067m respectively.

In 1974 the figures for France and the U.K. were roughly the same (at about \$5.5bn.); in 1977, if the prediction is borne out, French output will be half as much again.

It should perhaps be mentioned that Mackintosh does not regard its figures as sacrosanct and takes a couple of pages of the report to outline the problems—ranging from the meaning of the word "production" (it can often mean assembly of imported parts) to the unreliability and sometimes simple lack of appropriate statistics. So far as comparability is concerned the external trade statistics in the report have been analysed by the Brussels Trade Nomenclature.

Sections of the report deal with economic prospects in general, prospects for the respective national industries, consolidated statistics, production data, and markets.

The 'A' size, it contains 144 pages and is priced at £50. Mackintosh Publications is at Victoria Street, Luton, Beds. LU1 5DH. (0582 417435).

PACKAGING

Wraps up journals

A COMPACT bundle under wrapper for the newspaper and magazine publishing industries has been developed by Pakseal Industries, Curdwallis Estate, Maidenhead, Berks. (0628 26351).

Measuring 24 inches long, it can be adjusted to suit the conveyor system in which it is installed. The maker says it is small enough to fit against a counter stacker, bundle strapper or tying machine, or to be placed anywhere in a conveyor system.

Capable of underwrapping up to 40 bundles/minute, the machine has a pair of rollers to regulate bundle feed rate to match that of the counter stacker. It uses 21 inches wide underwrap paper, and will deal with both large and small bundles, as the length of underwrap is controlled by a switch depressed through the bundle as it travels through the machine.

Maximum diameter of the feed roll is 22 ins. The roll is mounted on a trolley which can be positioned to feed from either side of the machine.

COMPONENTS

Special role connectors

A NUMBER of plug and socket variants that have additional functions in RF engineering and elsewhere have been announced by Sealstro of Walton Road, Warrington, Cheshire, Cheshire. (07018 73211).

One of these is a Conhex RF connector that incorporates low pass filter functions. Typical of this range is a 50 ohm screw-on jack receptacle designed for bulkhead mounting. It has a minimum attenuation of 45 dB from 0.2 to 20 GHz. Other mating engagements and attenuations can be supplied.

A newly offered right angle flange mounting jack receptacle is designed as a microstrip launcher and has extended contact and dielectric. The latter can be modified by the user to suit his particular application by dimensional adjustment.

Item will be useful for small volume laboratory requirements. Also available is a test adaptor which is designed to excite the TE11 mode with a known reflection coefficient in TEM transmission lines.

CONFERENCES

New angles on cutting

BECAUSE many new tool materials have been brought in over the past few years—coated carbides, synthetic diamonds and other high-pressure artifacts, and new grades of tool steels—it has become clear that a review of the situation is needed, especially since progress in machining technology has contributed towards an improvement in the economics of metal-cutting work.

These new aspects of cutting materials and technologies will be examined during an international conference to be held in 1977 at the Mount Royal Hotel in London.

To be held on March 3 and 4, the conference is being designed in conjunction with suppliers of cutting tools and a number of research institutions.

Further from Conference Secretary, Engineers Digest, 120 Wigmore Street, London W1 01-435 6265.

COMMUNICATIONS

Squeezing more digits into cable

DURING 1976 a good deal was heard about new transmission systems which might at some time in the future carry sizeable amounts of telephone and data traffic within the Post Office network.

The contenders were optical fibre and helical waveguide. Both have been in development for about ten years, both offer great promise, but neither looks like coming into full scale service for some years yet.

Meanwhile the coaxial cable—mainstay of the network in which many millions of "copper" pounds have been invested over the years—continues to be improved. In the autumn orders were placed by the P.O. with both GEC and STC for systems able to carry 120 megabits/sec. of data down 4.4 mm coaxial

DATA PROCESSING

Handles the tapes by thousands

HARD ON the heels of the news that Rolls-Royce will be the first organisation in the U.K. to buy the large tape library sold by IBM comes the announcement from Calcomp that Ford has just become the third automotive company in the U.S. to decide on an ATL or automated tape library, from that company.

The Ford requirement specifies a system to contain 2,000 reels of magnetic tape for automatic retrieval, staging and reeling on job completion. These will be handled by tape drives from the same company installed a few months ago.

Apart from Ford, Chrysler and Mercedes Benz are among the 20-odd customers for this equipment which is a major rival to the big IBM product.

Further details from Calcomp, Cory House, The Rings, Bracknell, Berkshire RG12 1ER, Bracknell 50211.

Handles the tapes by thousands

to have a computer for the bulk storage and blending section of the operation and it is to be supplied by GEC-Elliott together with the instruments that will link the processor into the plant.

Delivery, installation and commissioning is to be completed by next March and the equipment will monitor and control some 200 valves and measure and monitor the level of 16 storage vessels. It also will control and monitor operation of pumps and airflows used to purge the pipelines.

Further information from the company on 0533 871331.

HANDLING

Simplifies sorting on conveyors

WHEN ITEMS, such as potatoes, other vegetables and fruit, eggs, or similar small objects, are sorted before storage or processing, the usual method is to convey the produce past an operator who removes by hand the unwanted items.

The operator can identify reject products more quickly than he can lift them from the conveyor to the Scottish Institute of Agricultural Engineering has developed a mechanical separator. This allows the operator to concentrate on recognition, with automatic removal of the rejects, permitting a faster throughput with greater accuracy.

All the operator has to do is to touch rejected items with a hand-held wand. The produce

Must be travelling in individual compartments on the conveyor—the compartment containing a reject is identified by electronic controls connected to the wand, and a suitable mechanical ejector is activated at the discharge point.

The innovation lies in the method of detecting the position of the rejected item when it is touched by the wand, and arranging for the ejector to move at the right moment. The principle is that the wand emits a signal on contact with the reject. This is picked up by a matrix of tuned coils below the conveyor, identifying the reject position.

The device has been patented, and no further details of its operation are available.

Companies interested in the commercial application of the separator should contact Mr. Lewis Wilson of the Mechanical and Civil Engineering Group, National Research Development Corporation, 68 Victoria Street, London SW1E 6SL. (01-828 3400).

Machining time cut to a third

INSTRUMENT MAKER Bellingham and Stanley has installed a Moog 1000 machining centre at the company's North London factory, and has reduced machining time of the body casting of the best selling product, a refractometer, from over four hours to about 1 hr. 25 mins.

The machine has three-axis numerical control, and a facility

METALWORKING

Machining time cut to a third

to punch a control tape while the first component is machined under manual control. There are 24 stations on the tool magazine, and the machine carries out milling, drilling, tapping, reaming and counterboring.

In working on the body casting all 24 tool stations are used, and the components are mounted in pairs using the co-ordinate sub-plane on the machine table, with one casting facing the machine face has been machined. Tolerances are maintained to within ±0.001 in.

The company has used the machine for a wide variety of work on components made from stainless steel, brass and aluminium. It says it has made savings in the cost of jigs and fixtures, reduced lead times, and improved managerial control of workshop progress.

Optimum work output from the operator has been achieved by installing a small vertical miller and single spindle drill adjacent to the Moog so that the operator can perform a pre-operation or second operation on a component within the cycle time of the Moog. Together with a deburring operation, the operator is kept busy for the whole of the machining cycle in an automatic cycle.

Details from Moog, P.O. Box 5, Runnings Road, Cheltenham, Glos. (0242 35521).

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PROCESSING

Watch over microscopy specimens

PRODUCTION of extremely thin specimens for electron beam microscopy using ion beam thinner equipment is a delicate operation and it is very easy to ruin specimens through gross penetration by the ion beam.

Edwards High Vacuum calls the device it has succeeded in developing to prevent this an "ion beam penetration switch". This operates by detecting the moment of perforation of the specimen, eliminating the need for constant supervision or for complex calculations to determine the penetration point.

The switch picks up any ion current which passes through the specimen by means of a probe placed in the path of the beam. For 20 seconds every two minutes. Any ion current detected is fed

POWER

Source of breakers

ETA, which employs 1,000 people in Germany and turns over about £10m, has formed a subsidiary in the U.K., ETA Circuit Breakers (U.K.).

Based in Aylesbury, the company will market the parent's full range of electrical, thermal, magnetic, magnetic and electronic miniature, over-current circuit breakers and associated control devices, in a wide variety of types and ratings.

Applications for the products include domestic appliances, business machines, medical equipment, commercial vehicles and aircraft. More from Rycote Aylesbury, Bucks HP20 1RS. (0295 89462).

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Building and Civil Engineering

WATER Treatment and drainage

AN encouraging start to the New Year has been given to J. F. Donohoe of Brendbury, Stockport, Cheshire, by the award of a £1.4m contract at Ashton-under-Lyne, where the award by Tameside Borough Council, as agent for the North-West Water Authority, is in connection with the Ashton Main Drainage Scheme Contract No. 1. It calls for 15 km. of sewer, including 1.5 km. of pre-cast concrete pipe laid in trench, a storm water overflow chamber and ancillary work.

A start has been made on the job and it will take about two years to complete.

Film system

A film contract for a new water treatment system in Galway has been awarded to J. V. Duffy of Dublin.

Work on the project is expected to start in February and plans to complete it within 12 months. The system will initially treat 14m. gallons of water a day but will be suitable for extension to treat 24m. gallons daily. Consulting engineers are H. G. L. O'Connor and Co. of Galway.

The contract involves construction of ten settlement tanks and six rapid sand filter units, in addition to administration and control buildings and power houses. There will also be two reservoirs with a capacity of 500,000 gallons and 200,000 gallons respectively.

Curacao plant extension

An extension of the Curacao Mundo Nobe water treatment plant has been handed over to the water and electricity authority (Korpus di Awa Elektrisidat di Kurasao) of Curacao. The plant was developed for the Curacao Island and constructed by Stark Warkop Water Engineering.

In the meantime, Stark Warkop Water is also working on a further extension, which will increase the supply to 10m. 8,500 cubic metres of drinking water converted from sea water per day.

Maintenance of timber roofs

FLAT AND low pitch timber roofs have recently been investigated by the Building Research Establishment's Princes Risborough Laboratory. Experience has shown that, correctly designed and maintained, these roofs give trouble-free service, but unfortunately there are not always met and problems can occur early in the life of a building.

The investigation indicated the need for regular inspection of flat and low-pitched roofs using built-up timber beams, or other composite timber structures to ensure that high moisture conditions have not developed and that the structure is in a satisfactory condition.

Those who have the responsibility for buildings with this type of roof, BRE has published an information sheet (IS 267/8), giving guidance on maintenance inspections and remedial action, including that can be taken to eliminate or reduce moisture problems. Copies are available free from the Distribution Unit, BRE, Watlington, Watford, Herts. (04273 74040).



Fitting out Ramsgate supermarket

HAVING gained the contract for a two-storey Waitrose supermarket at Ramsgate, Kent, Colson Construction has now won a further contract for fitting out. Value of this work is over £500,000.

Included in the contract are heating, ventilating, plumbing and electrical installations as well as cold rooms, refrigeration cabinets and service hoists.

The store will have a shopping area of 1,385 square metres at ground level with 1,395 square metres of storage above.

Offshore unit for Decca

A NEW company is being formed by Decca Survey to market equipment, systems and services in the oceanographic and allied fields.

Named Offshore Environmental Systems, the new company will be able to manage projects from the initial desk study stage through to controlling and conducting field operations; staff from elsewhere in Decca, or from outside, will be engaged as required on a contract basis.

It is intended to tackle siltation studies, pile development, platform monitoring, underwater pipelines, outfalls and power station studies. Subjects involved will include water circulation, waves, tides, diffusion and dilution, density

Standards for new buildings

COMPARATIVELY modest specifications for the insulation of all new buildings would save, in a single year's industrial building construction programme in Britain, between 47,200 and 56,600 tonnes of oil fuel, which would be of considerable importance to the country's balance of payments.

This is one of the findings of an extremely detailed study of the problems of energy waste in industrial buildings carried out by the Association of British Manufacturers of Mineral Insulating Fibres—Eurisul-U.K.

Entitled "Thermal Insulation Case for Higher Standards," it has been submitted for study to the relevant Departments and Ministries. But whatever they may or may not do, it is also the wish of every architect's and manager's while to read it closely.

Truck and loader

BASED ON the Ford Transit 190 light truck, is a truck/loader combination called the Tiffidee, launched by Reginald Tildesley, Railway Lane, Willenhall, West Midlands (0902 69922).

Mounted on a sub-frame at the rear of the truck platform, the loader is available in hand hydraulic, full hydraulic or electro-hydraulic versions. It can lift 15 cwt. to a maximum height of 16 feet at 9 feet 6 inch radius. During lifting, manually extended outriggers stabilise the truck at front and rear. A reduction gear is used to slow the crane through 36 degrees.

The truck is available with a petrol or diesel engine, has drop sides, and can carry a 2 ton payload.

Conserving costly heat

ARCHITECTS, building services designers and management, as well as staff representatives, will find food for thought in four brochures produced by the Electricity Council and intended to show how, in many commercial buildings, energy is wasted through bad design and poor installation, together with a lack of proper commissioning and use.

For the architect in particular "Buildings are for people" drives home the point that the right decisions must be taken at the

Under a brief

Under an £80,000 contract Eslocke of Telford is supplying thermal insulating blocks for 185 dwellings at the Vaynor development at Newton in Powys for the Mid-Wales Development Corporation.

The report points out that the maximum overall U value of industrial sector is second only to the domestic sector in terms of energy required for space heating and that the effects of the increases in the cost of fuel are such that spending rose from £949m. in 1972, representing 17,958m. therms, to almost double in 1974 at £1,850m. (18,455m. therms). This is for industries other than iron and steel.

Current legislation introduced in 1957 is now totally inadequate to meet the case. The Government has given a lead through the work on energy saving carried out by the Property Services Agency, in better control of space heating, and also because to provide better standards of insulation incorporating at least 75mm of mineral fibre. But, says Eurisol, this does not obviate the need for the formulation of general new regulations in this sector. The time appears ripe since specifications are becoming aware of the increasing importance of insulation.

It suggests a maximum opaque U value of 0.70 watt per square metre per degree C and a

GK Tor Bar

Now in 50mm dia.

GKN (South Wales) Ltd
Castle Works, Cardiff
Tel: 0222 222222
Telex: 49318
(A member of GKN Retail & Bright Steel Limited)

Initial planning stage if an integrated design is to result, combining energy saving conditions with economy of energy over the whole of the working year.

Building services designers must read "Heat Recovery," which explains techniques that can be used to reduce the loss of energy in heating and ventilation systems. Some of these throw away large amounts of recoverable heat.

When it can be estimated, as the Electricity Council does that one-third of the total fuel consumption of the U.K. is being wasted in losses from comfort heating and process heating installations—at a cost to no purpose of a staggering £2bn. a year—there clearly is urgent need for action throughout Government and industry management, giving a great deal further than setting up a few more committees.

Further from the Electricity Council, Marketing Department, 30, Millbank, London SW1P 4RD.

In brief

Under an £80,000 contract Eslocke of Telford is supplying thermal insulating blocks for 185 dwellings at the Vaynor development at Newton in Powys for the Mid-Wales Development Corporation.

At the same time the saving of about 50,000 tons of crude oil equivalent in the first year, already mentioned, is of great significance since it can be achieved with no more add than the cost of better design practices within present construction methods.

Eurisul draws attention to one tax anomaly which is distinctly anti-conservation. If a factory normally spends £100,000 on space heating and by improving insulation etc. saves £50,000, this money is liable to tax.

Since this tax is levied at 52 per cent, the net saving is only £24,000. Further information concerning this report is available from the originators, Eurisol-U.K., 7, Hildagard Mansions, London W1H 0LD. 01-935 5462.

SOLICITOR/COMPANY SECRETARY

Five figure salary

Substantial Public Company wishes to engage a solicitor at its head office in London. The position, which will carry a five-figure salary, will be that of company secretary and could eventually lead to a main board appointment.

The successful candidate will have a number of years' post-qualification experience and will be well versed in company law.

Normal fringe benefits including company car, pension scheme and BUPA, etc.

Please advise full details of experience and present salary to Box B.B.547, Financial Times, 10, Cannon Street, EC4P 4BY.

OVERSEAS DEALING

Leading firm of stockbrokers requires responsible person, experienced in currency transactions, to join their institutional team.

Their prime responsibility will be to service international clients in stocks where there is a market to market interest.

This is a new appointment and offers interesting prospects to the successful applicant.

Please reply Box A.5813, Financial Times, 10, Cannon Street, EC4P 4BY.

Thinking of changing your job? (But not quite sure?)

For one reason or another many of our clients think they should make a change, but are not quite sure. Not sure of themselves, of their potential, of their 'marketability' or of their ultimate goal. We are a group of highly qualified specialists who guide senior people towards a new direction in their careers, towards optimum personal and financial rewards. If you're a senior executive or professional person and you're not quite sure, one of our professional Career Advisers will be happy to discuss the matter with you, confidentially and without cost or obligation. Write or telephone now. CHUSID help you to help yourself to a new way of life!



Consultants in Executive Evaluation and Career Advancement. London: 33 Finsbury Street, W1. Phone 01-637 2298. Paris: 6 Rue de Berri 75008. Phone 225-3180. We are not an Employment Agency.

INVESTMENT ANALYSTS

We are a major firm of Stockbrokers and plan to expand our research programme in U.K. Equities. We are seeking analysts with two or three years' experience who would like to work creatively and independently. If this appeals to you write to us through: Box A5815, Financial Times, 10, Cannon Street, EC4P 4BY.

CORPORATE PLANNERS & ECONOMISTS

c. £12,000 p.a. Free Kuwait

Candidates must be graduates, age 28-45, with a degree in business studies, economics or maths and have a minimum 5 years appropriate practical professional experience. Work involves Markets Modelling, Cash Flow Forecasting and Investment Research. Excellent career opportunities exist with a major Kuwait oil company, and attractive fringe benefits. Any appropriate oil company experience would certainly be advantageous, but not essential. Contact: J. L. Wood, tel. 0782 623665. E.M.S. CONSULTANTS LTD., 61 Lower Street, Newcastle under Lyme, Staffs.

APPOINTMENTS WANTED

BANKING. Senior Accounts Administrator, Assistant to Accountant, aged 25-35 with sound banking experience c.£4,500. Telephone Lee Personnel, 01-409 1544.

BOND DRAWING

PROVINCE OF MANITOBA

9% 1970/1982 UA 12,000,000

LOAN

Bonds for the amount of UA 305,000 have been drawn on January 14, 1977 in the presence of a Notary Public for the following: Bonds will be issued in unsecured form due March 16, 1978 attached: 2000 to 2055 incl. 2061 to 2065 incl. 2068 to 2075 incl. 2081 to 2089 incl. 2103 to 2105 incl. 2109 to 2205 incl. 2208 to 2219 incl. 2221 and 2222 2224 to 2287 incl. 2294 and 2295 2297 to 2310 incl. 2314 to 2321 incl. 2491 to 2494 incl. 2496 to 2514 incl. Amount purchased in the market: UA 295,000. Amount unamortized: UA 7,000,000. 1987 to 1977 maturity on 26th April 1977 at 12% p.a. Applications tallied 12,39396. Total applications were 42.5m. No other bills outstanding.

PUBLIC NOTICES

BOROUGH OF PRESTON

£0.7m. Bills issued on 26th January, for 91 days at 12% tenders totalled £3.5m. £2.7m. in issue.

CARDIFF CITY COUNCIL

£2,350,000 Bill, issued on 25th January, 1977, matures on 26th April 1977 at 12% p.a. Applications tallied 12,39396. Total applications were 42.5m. No other bills outstanding.

SOMERSET COUNTY COUNCIL

2.5m. Bills issued 26.1.77 due 27.4.77 at 12.5% p.a. Total applications were 12,39396. Total applications were 42.5m. No other bills outstanding.

REDFORDSHIRE COUNTY COUNCIL

4m. Bills issued 26.1.77 due 27.4.77 at 12.5% p.a. Total applications were 42.5m. No other bills outstanding.

HALTON BOROUGH COUNCIL

£675,000 - Halton Borough Council Bill issued 26th January 1977 - due 27th April 1977, at 12.5% p.a. Applications tallied 12,39396. Total applications were 42.5m. No other bills outstanding.

COMPANY NOTICES

AMALGAMATED TIN MINES OF NIGERIA HOLDINGS LIMITED

The Transfer Books will be CLOSED on the 12th and 13th February, 1977.

LEGAL NOTICES

SALE CONTINUATION LIMITED

(in voluntary liquidation)

Notice is hereby given that the General Meeting of the Members of the above-named Company will be held at the Chartered Institute of Accountants, 15th day of February, 1977, at 3.00 p.m. for the purpose of receiving an account of the Liquidator's acts and dealings and of the conduct of the winding-up for the year ended 27th September, 1976. A member entitled to attend and vote at the above-mentioned meeting, is entitled to appoint a proxy, who need not be a member of the Company to attend and vote instead of him. Dated this 14th day of January, 1977. E. R. NICHOLSON, Liquidator.

SALE CONTINUATION LIMITED

(in voluntary liquidation)

Notice is hereby given that the General Meeting of the Creditors of the above-named Company will be held at the Chartered Institute of Accountants, 15th day of February, 1977, at 3.00 p.m. for the purpose of receiving an account of the Liquidator's acts and dealings and of the conduct of the winding-up for the year ended 27th September, 1976. A creditor entitled to attend and vote at the above-mentioned meeting, is entitled to appoint a proxy, who need not be a creditor of the Company to attend and vote instead of him. Dated this 14th day of January, 1977. E. R. NICHOLSON, Liquidator.

PERSONAL

OVER 40,000 SCHOOLS AND EDUCATIONAL ESTABLISHMENTS can be reached by The Educational Directory. Addressing and Mailing Service. Derby House, 10, St. James' Street, London, W1A 1JN. Mertham 2225.

ACCOUNTANCY APPOINTMENTS



MIDDLE EAST

Recently Qualified £10-£12,000 ACA Tax Free

Our client is perhaps the most respected international firm of Chartered Accountants whose business in Saudi Arabia, Libya, Qatar and Kuwait has grown enormously. The Seniors whom we are seeking for these offices will benefit from the international training programme and the policy of rapid promotion.

The range of jobs will be broad and, unusually for overseas, will be substantial in size. The sophisticated audit procedures used internationally are implemented on every audit.

Chartered Accountants or finalists of Arab and other nationalities including British, with large or small firm experience, should apply. Applicants who must be graduates, may be single or married and with or without children.

Please telephone or write to David Hogg ACA quoting reference A/292.

EMA Management Personnel Ltd., Burne House, 88/89 High Holborn, London WC1V 6LR. 01-242 7773

International Appointments

- Investment Advisor
- Kuwait
- Accountants/Auditors
- Surveyor
- Architect
- Engineers
- Technologists
- Systems Analysts/Programmers
- Safety Officer
- Senior Executive Officers (Accounts)
- Higher Executive Officers (Accounts)
- Lagos
- Bank Operations Management
- UK then Overseas

Details of these vacancies will appear in tomorrow's International Appointments.

Manager Systems Development

London c.£10,000

This is a new appointment with a long established institution currently introducing new services in the field of personal banking. In this stimulating environment the scope for staff development and the use of advanced techniques is considerable.

The Manager, who will report directly to the General Manager, will be responsible for the introduction of new computer based financial and management accounting and reporting systems in collaboration with consultants. The computer centre is already well established but will be further developed to meet the new requirements.

The successful candidate is unlikely to be less than 35 years of age and must have a relevant qualification, Experience in banking or commerce is essential. Key requirements are the ability to lead teams designing and introducing new systems and to work successfully with senior colleagues in the implementation of change.

Initial salary will be about £10,000 and an Inner London Allowance of £488 will be paid. Other benefits include a non-contributory super-annuation scheme. Candidates of either sex should apply in complete confidence giving an outline career history and quoting FT/47/F to:

TYLB Turquand, Youngs & Layton-Bennett, Management Consultants, 11 Doughty Street, London, WC1N 2PL

Group Financial Controller Zambia £18,000

A group of companies operating in Zambia requires a financial controller. The group includes a dozen businesses in diverse fields, with total turnover of the order of £50m annually and with more than 3,000 employees including some 25 qualified accountants.

The successful applicant will be a chartered accountant having a thorough knowledge of corporate finance embracing control and co-ordination procedures with particular emphasis on cash management. He will assist the board of the holding company in the creation of financial policies directed to the optimisation of group company profits, and will work with top management of individual companies in implementing agreed policy. His personal character will enable him to manage people by winning co-operation and commanding respect.

To be at the desired level of seniority he would normally have reached his mid-thirties and have operated for several years in a group financial environment.

Initial appointment will be on a contract of 2 or 3 years duration, with basic salary plus 25% terminal gratuity together equivalent to at least £18,000 per annum. Other benefits include a free furnished house with swimming pool, company car and education allowances.

The organisation in Zambia is closely associated with a London-based group with interests elsewhere in Africa and in Britain. Prospects for continued employment either in Zambia or elsewhere after the initial contract period are excellent.

Please reply to: G. S. Peterken, P. H. Recruitment Ltd., 42 Upper Berkeley Street, London W1H 7PL.

ACCOUNTANT LONDON W11 EMOLUMENTS c.£9,000

We are a major international firm of Consulting Engineers and Architects, employing over 1800, and are looking for a chartered or certified accountant age 35-45.

Responsibilities include the supervision of accounting processes in the UK, the preparation of monthly management account, final accounts and the consolidation of accounts from associated firms. Practical experience in the consolidation of overseas accounts is essential. Candidates should have a mature personality and a proven ability to control and motivate staff to work harmoniously as a member of a finance team and to communicate with staff and management at all levels.

Please write by 8th February, giving personal details, qualifications and experience and quoting Ref: 1196/1 to:

N. W. Ramsay, SIR WILLIAM BALCROW AND PARTNERS, Newbury House, 45 Notting Hill Gate, London W11



Brussels to US \$22,000

THROUGH INTERNAL AUDIT TO LINE MANAGEMENT

A major American chemical group with world-wide turnover in excess of \$100m. is setting up a Brussels based audit team to deal with the group's substantial and growing operations in Europe. The recently appointed European Audit Controller now requires two additional assistants, one fluent in German and the other in Italian, to work with him in establishing an effective internal audit function and in due course in developing operational auditing throughout Europe.

Candidates aged 25-30 should be qualified accountants with at least two years' audit experience gained either in a large professional office or in a well managed internal audit department with a reputation for high standards. Some experience of U.S. accounting practice would be an advantage. Those appointed will have the opportunity in due course to move into financial management positions either in Europe or North America. Considerable European travel will be involved and as a result, under Belgian legislation, a substantial allowance may be deducted from earnings for the purpose of calculating taxable income. Contracts of employment will be with the American parent company and excellent fringe benefits include a company car. Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

The Executive Selection Division - MEF740, Coopers & Lybrand Associates Ltd., Management Consultants, Shelby House, Noble Street, London, EC2V 7DQ.

Financial Controller Financial Services - London

The company is a subsidiary of one of London's major financial institutions and has a record of outstanding growth and profitability. In addition to the duties normal in such an appointment the Financial Controller will be expected to play an important role in the development and diversification of the business working closely with the MD. The successful candidate will also act as Company Secretary and accept the responsibility of the personnel function in relation to a highly skilled technical staff. Appointment to the Board can be earned.

Candidates, ideally in their mid 30's, must be qualified accountants with appropriate experience at chief accountant level; experience in the use of EDP would be an advantage. Salary negotiable from £8,000 plus car, pension, etc.

Please write - in confidence - giving relevant details to J. M. Ward ref. B41305.

This appointment is open to men and women.

MSL World wide

Management Selection Limited 17 Stratton Street London W1X 6DB

Mervyn Hughes Group

59 St. Mary Axe, London, EC3A 8AR Management Recruitment Consultants

01-283 0037 (24 hours)

Financial Accountant

Up to £7,000 + car Central London

A well-known quoted Property and Building Group requires an experienced Chartered Accountant for an important appointment with its Property, Investment and Development Division. Reporting to the Chief Accountant, the Financial Accountant will be responsible, primarily, for the efficient operation of the accounts department, cash flow and profit forecasts and the preparation of quarterly group management accounts. Additionally, he/she will have accounting involvement with a subsidiary in the South of France. Candidates, aged up to 35, should have at least four years post-qualification experience of which 2 years, ideally, will have been spent with a property company. A working knowledge of French will be advantageous. Applications in strict confidence to E. A. C. Griffin (Ref: 6010).

Financial Controller

Central London to £10,000 plus car

A U.K. process manufacturing company with a £30m+ turnover seeks a controller for its London head office. This is a total finance role excluding only tax, treasury and volume accounting, with emphasis on profit improvement, management information and control aspects. Recognition of personal contribution to profit could include a directorship and/or another key finance post in the quoted parent's diversification programme.

Candidates should be qualified accountants aged 35-50 ideally with relevant experience in industry, including sophisticated accounting control, and reporting work. Familiarity with Price Commission requirements is virtually essential.

For a fuller job description, candidates should write to John Courth & Partners Ltd., Executive Selection Consultants, 78 Wigmore Street, London W1H 9DQ, stating briefly but explicitly their relevance and quoting reference 783/FT.

JC&P

MANAGEMENT AUDIT

circa £6,000 plus car

London, travelling Midlands/North

Applicants must hold a recognised accountancy qualification and be resident in the London area. An engineering background and sound audit experience is preferable. An ideal opportunity for an ambitious accountant with a strong interest in investigations, aged 26-35.

DUKE'S CAREERS

Tel. 01-283 3881 quoting ref. S.J.G. 21 Liverpool Street, E.C.2

AREA TREASURER

£9,684 - £11,787, plus £354 London Weighting

Applications are invited from qualified accountants with considerable financial management experience for this chief finance post.

The Area Treasurer is a member of the Area Team of Officers and is financial adviser to the Authority. He advises on the financial implications of policies, assists in allocating resources, and monitors expenditure.

There are three teaching Districts: Guy's, King's and St. Thomas', with Lewisham (non-teaching) and the revenue budget exceeds £100 million.

The Area offices are close to Waterloo Station.

Application forms and job descriptions are available from the Area Personnel Officer. Telephone No. 01-928 1801

The closing date for applications is 14th February, 1977.

Lambeth, Southwark & Lewisham Area Health Authority (1) St. George's Circus, London, SE1 0JG

MANAGEMENT CONSULTANT TO £20,000 PLUS BENEFITS LAGOS, NIGERIA

QUALIFIED A.C.A. IS REQUIRED BY ENGLISH COMPANY. PERSON APPOINTED IS LIKELY TO HAVE SEVERAL YEARS' EXPERIENCE IN THE PROFESSION AND INDUSTRY OR COMMERCE. PREFERRED AGE 30/40.

BENEFITS WILL INCLUDE FREE HOUSING, CAR, SIX WEEKS' HOLIDAY PLUS VARIOUS OTHER ALLOWANCES.

FOR FULL INFORMATION PLEASE CONTACT

MR. M. RILEY-GEORGE HEAD OF PERMANENT RECRUITMENT ACCOUNTANCY TASK FORCE 21 COPTHALL AVENUE LONDON EC2 01-628 7931

Handwritten note: 50 كذا من الاصل

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interim or final. The sub-division shown below is based mainly on last year's time-table.

Table with columns for dates (JANUARY 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31) and rows for various financial events, company meetings, and dividends.

APPOINTMENTS

L. Maxwell leaves GKN Sir John Read will chair electronics industry EDC

Mr. L. Maxwell, having reached retirement age, has resigned from the Board of GUEST, KEEN AND NETTLEFOLDS. Sir John Read has been appointed chairman of the ELECTRONIC DEVELOPMENT COMMITTEE FOR THE ELECTRONIC INDUSTRY. Mr. David P. Bell, secretary of the WALLS MEAT COMPANY, is retiring on March 31.

Changes at GEC cables company

Mr. Adrian M. Evans has been appointed managing director and Mr. C. V. Bartlett works director of GEC-HENLEY. Mr. P. G. H. Lewis has been re-appointed chairman, and Mr. J. G. Bostock and Mr. J. G. Bostock have been appointed vice-chairman and vice-director respectively.

Weekly exchange prices

Table showing weekly exchange prices for Hong Kong, Canadian Weekly, and Singapore Stocks. Columns include Stock, Dec. 31, Dec. 23, and Dec. 20.

Grimsby gains trade from Immingham

Grimsby has gained trade from Immingham in two commodities from Immingham Dock was the major contributory factor to an increase of 152,000 tonnes in imports to Grimsby for the first 39 weeks of 1976 compared with the corresponding period of 1975.

Dark side of 'golden age'

THE PAYMENTS figures are extremely shocking and show how the nation is getting rapidly out of hand. The words are not a Treasury warning to this Labour Government, but one to its predecessor of 31 years ago, written by a man Mr. Henley might like to have at his side to-day, John Maynard Keynes.

Up to half had full week off

AS MOST factories started work again this week industrialists were totting up the cost of the longest winter break on record. In most large manufacturing and construction companies the workforce was given an extra three days' holiday to make a full week between Christmas and the New Year.

SOCIETE NATIONALE ELF AQUITAINE

Public Company with a capital of F 755 311 100. Registered Office: 7, rue Nalaton - 75 PARIS (15ème). Trade Register: PARIS B 552 120 784. 9% Bonds 1970/1982 of \$ 1 000.

Dark side of 'golden age'

That first peacetime year after the Second World War was one of extraordinary contrasts. Britain rationing arrived on July 21, yet battle-scarred Labour veterans of to-day look back on the period as the golden age of Socialism in Britain.

Grimsby gains trade from Immingham

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It's a BOAT SHOW '77 EARLS COURT 6th/16th JANUARY

Advertisement for the Boat Show '77 at Earls Court, 6th/16th January. Features include: The 23rd London International Boat Show is a real summer tonic in the middle of winter. It's like a trip to the coast for this winter wonderland of boats, equipment and accessories.

Incorporating THE FINANCIAL NEWS
Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Ray Dafter and Peter Riddell study the role of oil and gas in helping Britain's payments problems.

The North Sea at the centre of Mr. Healey's strategy

The priorities for 1977

MR. JACK JONES said this week that, in return for the acceptance by most working men and women of real cuts in their standard of living, businessmen should commit themselves immediately to large-scale and widespread investment in industry.

Production
Continuity of production and greater efficiency in production—these should be the priorities for unions and management in 1977.

China pins its hopes on Hua

IN SPITE OF the continuing instability in China, it seems that the new Chinese leadership now seems anxious to put this view across to the west as it has been in the past few weeks to picture the country as in the grip of "civil plotting of Mrs. Mao and her radical gang of four".

Economic goal
A buoyant Hua Kuo-feng has allowed his portrait to be blown up for public display to the same size as that of Chairman Mao.

THE CRUCIAL importance of the development of North Sea oil and gas for Britain's hopes of economic recovery over the next few years has been spelt out nowhere more clearly than in Mr. Denis Healey's letter of application for the \$3.9bn. loan from the International Monetary Fund.

Mr. Healey himself has somewhat loosely described the IMF standby as a "bridging loan" until the benefits from the North Sea flow through. The Treasury's own estimates highlight this.

Latest estimates show that total recoverable reserves of oil lying under the designated U.K. Continental Shelf could be between 3bn. and 4.5bn. tonnes, worth £200bn. at today's oil prices.

So at today's price levels, Britain can count on developing at least £300bn. worth of oil and gas—assets undreamed of even as late as the early 1960s.

EXTERNAL PAYMENTS: IMPACT OF N. SEA OIL AND GAS
Treasury estimates (£M. at current prices)
OIL
1 Oil exports/imports saved (incl. insurance and freight) 0 0 0 40 1,090 2,250 3,400 5,150 6,600 14,300

GAS
1 Net effect on current account National 170 305 1,100 1,610 2,250 2,600 3,100 3,500 4,100 8,100

the balance of payments of North Sea oil alone could add up to a total of more than £50bn. over the next decade. Such benefits could not have come at a better time, as Britain's current economic position clearly shows.

Indeed, it is worth remembering that Britain's recent balance of payments deficit has arisen in spite of the massive benefits derived from the development of North Sea gas reserves.

But before examining in more detail the impact of this home-produced oil on Britain's balance of payments, a couple of factors should be stressed. First, the production figures are based on the assumption that the Government will not be too restrictive in its North Sea policies.

Output from the U.K. North Sea in 1976 was about 13m. tons, equivalent to roughly 15 per cent. of domestic oil consumption.

But the offshore oil industry is also maturing fast; at the moment seven fields are in stream—Argyll, Auk, Beryl, Brent, Forties, Montrose and Piper. Another seven are actively being developed and three of these (Dunlin, Claymore and Thistle) should be on stream by the end of 1977.

Under agreements between the offshore oil industry and the Government, British companies have won the right to compete fully and fairly for all North Sea contracts.

MEN AND MATTERS

Taylor exits from Italian International
One of the bright ideas of the consortium banking years, Italian International Bank, yesterday announced that its managing director, Russell Taylor, had resigned.

This is short, Italian International was set up in 1972, with Taylor, ex-journalist, ex-Triumph Investment Trust and ex-Hambro, designing an enlarged London presence in medium-term financing for four old and respected Italian regional banks.

The bank has expanded to a balance sheet total of £179m. at the year end last June, but it has equally been caught in some of the snags probably inevitable in any lender to the British market starting life in 1972.



What worries me about beavers is the size of their teeth!

made on loans mainly to U.K. borrowers "just prior to the crisis in the London market". The pretax profit was still £170,000.

Dutch aid
Dutch Independent MP, Dr. Govert Nooteboom, is urging the Dutch Government to buy whatever British Petroleum shares the British Government may want to sell on the market.

position at the IMF are such that the share purchase is warranted. Dr. Nooteboom, formerly a member of the small party, further urged that in the case of the share acquisition, the British should have the right to buy back the shares.

Felker fights for his Voice
There is an irony in the desperate efforts being made by Clay Felker, founder and editor of New York Magazine, to fend off the takeover of the company by Rupert Murdoch.

They think of nothing else
Information...on...packets...of frozen pastry on sale in Soho: "Sufficient to make a flan for eight persons or 12 small tarts."

If you see things our way, New Zealand's a big place.

Advertisement for The National Bank of New Zealand Limited, featuring a cartoon illustration of a man holding a large globe and text describing the bank's services and global presence.

SOCIETY TO-DAY: TROUBLED RACE RELATIONS

BY JOE ROGALY

Not quite all got up by the Press

SEEN FROM the standpoint of a German who must live with his own country's past, Britain looks pretty well to Professor Ralf Dahrendorf, the Director of the London School of Economics, as he told us in his "kind of cheer-up piece for the New Year" on this page last week. "The fact that Britain is essentially at one with its history is one of its basic strengths," he wrote. "It is true that there is much to be ashamed of in Germany's past. The question is, are we in Britain heading for a future of which succeeding generations in this country will be ashamed?"

In the mood in which 1976 drew to a close many people will answer in the affirmative, and several different reasons why might be given. Some might fear a suffocating "corporate state"; others a burgeoning totalitarianism of the Left; or, more likely, the Right; yet others, a spell of worsening national poverty and social unrest that leaves the country truly ungovernable. With such speculation, one guess is as good as another and all may be wrong. What is not so easy to brush aside as mere talk, however, is the continuing development of racial ill-feeling on these islands.

This may not presage a future anything like as horrendous as the Nazi past, and there is certainly no evidence of anything of the kind just yet—but who can say that no future government will have to deal with "voluntary" repatriation, with the inevitable consequence that what begins as "voluntary" soon becomes "compulsory" and the very likely additional consequence that those who wish to bully or threaten the lives of "immigrants" will feel

that such actions are socially acceptable when the leaders of the country are using the law to kick their victims out?

I do not wish to exaggerate. We are not on the brink of such a disaster; the National Front, for all its advances in local elections, is still unlikely to do well enough to save the deposits of most candidates it puts up. Yet the fact remains that the ingredients are there, and hardly anyone is doing anything about it. There was a little flurry last summer when Gurdip Singh Chaggar was stabbed to death in Southall and a period of comparatively minor racial violence ensued, but for the most part our political leaders keep well away from an issue of which they are deeply afraid, in the hope that it will go away.

Warfare

It will not. Although one part of our Kingdom has now been torn by murderous tribal warfare for most of this decade the cause of its troubles seems to be ascribed by the rest of the country to a peculiar quirk of the Irish; what does not seem to be recognised is that it is quite possible that another kind of tribal warfare may break out elsewhere. For the attitudes that breed racial contempt still prevail in Britain, and where there is contempt there is a willingness to do violence to whole classes of people, as any German can attest.

These insensitive attitudes are to be found everywhere, in all parts of British society. There is an endless graffiti in every town and city. On the television the quickest, cheapest, joke is always one about a West Indian or a "Paki" and the repeated excuse that Alf Garnett and his imitators expose racists as mindless louts cannot be accepted without independent proof, especially when everyday experience suggests that it is just this kind of "comedy" that sows the seeds of contempt for non-whites in too many breasts. The BBC may have satisfied itself that Garnett is harmless, but that should not be the end of the debate. For our culture seems to be infected, at least a mild bout of racial fever, even though many people would deny this with the asperity that they will talk about "being swamped by the black invasion."

I say "seems to be" because in this matter what is really needed is hard academic study, preferably in conjunction with the BBC and Independent TV researchers, but if necessary without them. The "race relations industry" is big enough, and well-funded enough, to sponsor a fresh piece of comprehensive research into the extent of racial bias—conscious or unconscious—on the television, with perhaps some additional work on its effect on the behaviour of both the host community and the new Black British. Such research should not confine itself to the news and current affairs programmes, but take in plays, comedies, and general entertainment as well.

There was a time when it would have been extremely difficult to mount such a project, because the television companies—and most notoriously the BBC—guard the transcripts of "their" property with great jealousy. How any pieces of paper produced by a publicly-funded corporation can be regarded as anything but public property defies me—but the question is less urgent now that a moderately-funded research group can take its own video-

tape recordings directly off the air.

At this point someone might reasonably interject—"what about the newspapers?" These are easier to research; you can merely look up the cuttings and write your commentary around them, although more is needed to support theories about the effect of what is published. It can nevertheless be a useful exercise, and Mr. Peter Evans, Home Affairs Correspondent at The Times, has done it for the Runnymede Trust. The result, a new pamphlet¹ out to-day at the stunning price of £1.30 for 38 pages, is an account of how the newspapers reported some of the words of Mr. Enoch Powell, with the aid of Government secrecy, cleverly manipulated the Press, helping temporarily at least to destroy racial peace. That bit about "Government secrecy" refers to the Hawley report on potential Asian immigrants which Mr. Powell produced as a "scoop" of his own last May—but I would dispute the words "cleverly manipulated." Mr. Powell, a practised politician, certainly knows how to make his speeches quotable, how to time their release, and how to choose items that stand the best chance of making the front pages, but that is the job of anyone who seeks a rapport

with the public. If there is a link between his speeches, the opportunities offered by the passage through Parliament of the Race Relations Bill, and subsequent tragic events, it is not established in Mr. Evans' pamphlet.

What does seem clear is that within most newspapers, and especially the populars, there is sufficient reflection of the general British attitude that immigrants are fair game to make it possible for a sudden flare-up of essentially anti-black stories which, in Mr. Evans' well-chosen words, reverberate. Thus while the notorious Sun certainly knows how to make his speeches quotable, how to time their release, and how to choose items that stand the best chance of making the front pages, but that is the job of anyone who seeks a rapport

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POWELL'S WARNING

Another race-war warning by Enoch Powell

POWELL SHOCKER

Storm over disclosure of Whitehall's secret report on 'the problem which has no end'

IMMIGRANTS—HOW BRITAIN IS DECEIVED

A SECRET Whitehall report was revealed last night which shows the claims of Labour 'scop' to be well founded.

IMMIGRANT RACKET ROW

Powell in RACE LEAK STORM

'Guns soon' in new Powell race assault

POWELL IN RACE LEAK STORM

Report challenges migrant forecast

Secret Foreign Office report discusses immigration racket

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Letters to the Editor

Nuclear power development

From Sir Stanley Brown.

Sir—As a retired chairman of a nationalised industry I normally avoid allowing the idiosyncrasies of our governments to disturb me too much but the latest activities of Mr. Shors regarding the Windscale developments move me to protest.

If politicians insist on intervening in management decisions—and I accept that in a minority of important cases they must—then they must learn that decisions have to be made and not progressively postponed. Someone once said that "no decision" was in itself a decision, and in the nuclear case this is unfortunately proving itself true. For instance, the decision on the future type of nuclear reactor could and should have been taken about 1970 and would in fact have been taken had not the politicians intervened. Now, six years later, it is still open. The only new fact which has emerged during this wasted six years is the initial (and as a hard-headed engineer I emphatically but nevertheless realising) success of the first of the much-maligned advanced gas-cooled reactors at Hinkley Point.

Had this country, and in view of their intervention this means the politicians, had even a modicum of courage, there was then a unique opportunity of initiating a truly international programme of development on gas-cooled reactors, a programme in which the U.K. with its incomparable knowledge and experience in this generic type would have taken a natural lead. That opportunity has gone.

It now looks as if the Windscale development is following the same story and a few more hundred millions of profitable and highly significant pioneer business is to be thrown away, to make no mistake, the large scale development of nuclear power is both necessary and desirable. It is in fact inevitable unless either civilisation cracks or the world is prepared to restrict its own expanding area and reading by candlelight. Nuclear power is in fact ushering in a second Industrial Revolution and this country contracts out of that at its peril.

I repeat, if politicians insist on intervening in management decisions then for heaven's sake let them make decisions and stop having.

Stanley Brown
(ex chairman of the Central Electricity Generating Board),
Cobblers Hill,
Compton Abode,
Gloucestershire.

Trustees and dividends

From Mr. J. Little.

Sir—As a trustee, I should like to comment on the points made by Mr. Ralph Instone (December 21).

In the first place, although, of course, trustees must monitor carefully the quality of their equity investments—having regard to all the circumstances obtaining at the time—the fact that they have a duty to provide income for their life tenants means that they have to have a regard for, and place great emphasis on, dividends. Rather than profit, a company might be very successful, but, for various reasons, might decide to plough back most of its profits. Such a company would not be very attractive for trustees who have to balance both the capital and income aspects of their trusts, not by any means always an easy task. I therefore think it is quite right and appropriate for the 1961 Act to put the emphasis squarely on the maintenance of dividends.

The 1961 Act lays down that dividends must have been paid for three consecutive years at the time of investment, but where it fails, in my opinion, is that it does not stipulate any minimum rate of dividend. This minimum should not be so low as to be trivial or derisory and not so high as to inhibit the trustees' room for manoeuvre. What the minimum rate should be is a matter for argument, but I would suggest 3 per cent. as the lower limit and 10 per cent. as the upper for the minimum rate.

Again, the stipulation in the 1961 Act of £1m. capital has now in all probability been overtaken by inflation and it could be argued that this should be increased to £2m. £3m. or even £5m.

With regard to the power to retain, this is standard practice in many wills and was particularly useful where there was made under the old 1925 Act which prohibited any investment in equities. In the trust in which I am interested some of the investments subject to a power to retain were put into the special range of the 1961 Act.

I quite agree with Mr. Instone that no trustee should invest in

To-day's Events

GENERAL

Treasury issues figures of U.K. official reserves for December.

National Economic Development Council meets.

Talks re-open between National Coal Board and National Union of Mine-workers on miners' demand for early retirement.

CBI Smaller Firms Council and South West Regional Council meet.

Proceedings begin for extradition to Singapore of Mr. Jim Slater and Mr. Richard Farling, Horseferry Road Court, S.W.1.

Final day of Oxford Farming Conference. Theme is "A Strategy for Farming Prosperity."

Council for Education in World Citizenship conference on "Order in a Changing World"

OFFICIAL STATISTICS

Investment intentions of manufacturing, distributive and service industries, 1977 and 1978 (Department of Industry).

COMPANY RESULTS

John Waddington (half-year), Batters (Jewellers) (half-year).

COMPANY MEETINGS

See Week's Financial Diary on page 16.

MUSIC

Richard Frower (tenor), Janet Coles (cello) and Timothy Day (organ) perform music by Schütz, Purcell, and Monteverdi.

EXHIBITIONS

The North American Indian Art, Hayward Gallery, South Bank, S.E.1 (until January 16).

William Caxton Exhibition, British Library, Great Russell Street, W.C.1 (until January 31).

New South Wales Stamps Exhibition, Gibbons Gallery, 309 Strand, W.C.2 (until January 31).

Jewellery Through 7,000 Years, British Museum, Bloomsbury, W.C.1 (until February 1).

Pompeii AD 79 Exhibition, Royal Academy of Arts, Burlington House, Piccadilly, W.1 (until February 27).

"A Tonic to the Nation": 25th anniversary of Festival of Britain 1951 Exhibition, Victoria and Albert Museum, Exhibition Road, S.W.7 (until April 3).

Seventy-five Years of British Submarines, National Maritime Museum, Greenwich (until Easter).

SPORT

Tennis: British covered courts junior championships, Queen's Club.

Mortgages for the future

From Mr. G. Tinley.

Sir—It does not seem to be generally understood that building societies are, on the whole, offering advances available to their investors; hence it would be almost impossible in the immediate future and, no doubt, in the long term, unless the economy improves, for an individual to obtain a mortgage, virtual to obtain a mortgage, unless he has funds with which to build a society to which he applies.

It strikes me that there is a considerable opportunity for the building societies to increase their funds, without having to rely in any way upon the interest rates offered—that is that the attraction of the investment is the availability in the long-term of a mortgage, rather than the interest rates which are being

Punch-drunk on holidays

From Mr. S. Scammell.

Sir—It is not in dispute that our current ills arise wholly from the fact that we insist, year after year, in consuming more than we produce. One might have supposed therefore that when in the year of such extreme crisis Christmas Day and Boxing Day fall on a Saturday and Sunday, and New Year's Day on a Saturday (thus conveniently giving the Scots Sunday in which to recover), this would be regarded as providential since each extra day's holiday reduces production and increases inflation.

Not at all. The Government promptly declares three additional days Bank Holiday in order to undo what Providence has done. And many companies in consequence then elect to join the holidays together by closing down for three more week-days making six in all. The year's production is thus cut, and inflation increased, by about 2½ per cent.—at a time when the Government is distorting its policies in a most perilous fashion in an endeavour to limit their inflationary repercussions to 4 per cent.

No real criticism is made in the House of Commons—or the Press. If we are all as punch-drunk as this are we fit to vote?

S. E. Scammell,
East Knogles,
Salisbury, Wilts.

Joys of being a councillor

From Mr. R. Richardson.

Sir—May I comment on Mr. Forsyth's letter of December 24?

It can be assumed that councillors enjoy their work or they would not indulge themselves in being elected to the council and, having arrived, probably appreciate the feeling of power and the publicity which goes with the job and expenses to boot.

Many people give freely of their time in different ways, helping the underprivileged, for example, but they enjoy doing this and regard it as a pleasurable and rewarding hobby and ask for nothing more.

Good fortune Mr. Forsyth but there is really no need to go to such lengths to justify what I hope is for you a satisfying and enjoyable hobby.

Regarding patriotism please remember we also serve who only sit and pay.

R. C. Richardson,
Smithway, Stone Street,
Nr. Severnocks, Kent.

The 'in or out' argument

From Mr. Martin Paterson.

Sir—It is not unknown for the issue, the most deceptively challenging argument in terms of sweetest reason. And how sweetly reasonable is his proposition that the Castle pension scheme is the embodiment of a superb insurance company. Take him at face value and no employer could really contemplate contracting out. But however valuable a special pleading may be in isolating and defining a "particular" argument, one must beware of the danger of over-multiplication.

Most specialists in the pension world will agree on two aspects of the "in or out" argument. First the financial terms offered

Mortgages for the future

From Mr. D. Porter.

Sir—It does not seem to be generally understood that building societies are, on the whole, offering advances available to their investors; hence it would be almost impossible in the immediate future and, no doubt, in the long term, unless the economy improves, for an individual to obtain a mortgage, virtual to obtain a mortgage, unless he has funds with which to build a society to which he applies.

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Reintroducing Schedule 'A'

From The Chairman, Industrial Milk Suppliers.

Sir—Bernard Kilroy's suggestion (December 24) that the abolition of Schedule "A" has caused the decline of privately rented property is really quite remarkable. As landlords, I think, would blame rent control and the counter attraction of heavily subsidised council houses.

In my view, however, his other contention, that the reintroduction of Schedule "A" is justified on the grounds that owner-occupiers do not have to pay rent is equally specious. Those who own motor cars, washing machines and colour TV sets do not incur big taxes, and would it not be equally "justifiable" to introduce a tax on these and many other items of capital equipment that are in current use to-day?

W. S. Roe,
Weymouth Road, Eccles,
Lancashire.

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£1	£4158	£7635	£19681
£2	£8317	£15269	£39361
£4	£16633	£30538	£78722
£8	£33266	£61076	£157444
£16	£66533	£122152	£314888
£32	£133066	£244304	£629776
£64 (Husband & Wife)	£266132	£488608	£1259552

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COMPANY NEWS + COMMENT

Esperanza's record £2.75m. at midway

ON TURNOVER some £6.9m. higher at £13.5m. pre-tax profits of Esperanza Trade and Transport jumped from £1.02m. to a record £2.75m. for the six months to September 30, 1976.

Earnings are shown to be up from 6p to 13p per 12½ share and the interim dividend is raised from 1.6p to 1.8p net. Last year's total was £5.48p paid after pre-tax profits of £2.92m. from earnings of 15.1p.

HIGHLIGHTS

With few companies reporting results, the main focus has been on continuing activity on the takeover front. Rank Hovis McDougall is to pay £13m. for Rad Wing Inc. which manufactures and distributes food in the U.S. Another acquisition in the U.S. is by Wm. Mallinson and Denny Mott which is to pay £2.1m. for Thompson Mahogany. But the move that created the biggest stir on the Stock Exchange was London Brick's 125p cash bid for Croydex. Before the bid, Croydex was at 65p. As we point out in our comment, London Brick has nearly doubled the £3m. needed in cash. We also comment on the 158 per cent. profits rise at Esperanza Trade and Transport, and the impact of a major new agency agreement on Diploma Investments.

per cent. It is intended that Guy Butler (Canada), Toronto will join the partnership in the near future. Garvin Bantel is involved in all aspects of domestic money market operations in the U.S. and through its membership of the New York and American Stock Exchanges is actively engaged in all forms of securities and bond trading.

Busy start at United Wire

Currently all sections of United Wire Group are busy, says Mr. Anthony Green, the chairman, in his first annual report, but whether the present trading conditions will continue is largely dependent on the measures the Government takes to generate and sustain confidence in the economy. "If they are successful, we should see a further improvement in the group's performance this year," he tells members.

Diploma's growth in electronics

A SHARP increase in sales, from under £2m. to nearly £3.25m., is reported by Macro-Marketing, the electronic component distributing subsidiary of Diploma Investments, for the half-year ended December 31, 1976. Current profitability indicates that this division's target of £1m. profit for the year could be "comfortably exceeded" say the directors.

of companies to include surface freight. Mr. David Williams, managing director of GS, said that the move would considerably strengthen Giltspur's position in the U.S. freight market. Fritz has more than 50 offices in the U.S. Coinciding with the agency link-up, Giltspur announced details of a survey of transatlantic freight traffic the company is currently undertaking. The survey is looking at the movement of cargo between the U.S. and the U.K. in connection with five major industries.

Healthy start at CMT

ANY FORECAST of the current year profits at Central Manufacturing and Trading Group must be approached with some caution, says Norman Heckman, the chairman, because the upward trend in the U.K. economy as a whole has not yet been fully confirmed.

comment

Diploma Investments' latest statement appears to confirm that the growth trend, apparent last year when profits jumped by 28 per cent pre-tax, is continuing in 1976-77. Macro-Marketing is one of the most important companies in the industrial distribution division, accounting for around 30 per cent of group profits in a normal year. So the forecast of over £1m. from the electronics division this year could mean an addition of maybe £0.2m. to the total pre-tax level. This would mean an overall pre-tax rise of around 9 per cent for the year and given the extremely strong balance sheet (debt at the end of last year was only £19,000 net, against funds of £8.2m.), the shares at 57½, where the maximum yield should be around 9 per cent, look firmly based.

Giltspur

Significant new U.S. agency arrangements have been established by Giltspur Shipping. The main development is the extension of Giltspur's air freight agreement with the Fritz Group

Guy Butler forms new U.S. company

Guy Butler (International), the London-based currency deposit and foreign exchange brokers has formed a new company in New York, Garvin GuyButler, with the Garvin Bantel Corp., the oldest firm of money brokers in the U.S.

S. Heath up to £174,000 at midway

TAXABLE PROFIT more than doubled from £15,500 to a peak £174,000 on sales up from £1.7m. to £1m., at Samuel Heath and Sons for the half year ended September 30, 1976. Tax was higher at £90,000 against £42,000. Demand for products continues to run at a very high level, particularly in the export field, and currently shows no signs of abating, the directors state.

Glenmurray Investment

It is vital to the survival of Glenmurray Investment Trust that money supply be controlled, inflation reduced, interest rates brought down and a climate provided in which manufacturing industry can expand and thereby create the wealth upon which future prosperity depends, says Mr. J. A. Lumsden, chairman.

The figures do not include the increase in value of net overseas assets estimated to be in excess of £700,000, arising as a result of exchange rate changes. Results in foreign currencies have been expressed in sterling at the rates ruling at the half-year end.

The directors point out that Gellatly Hankey has for the first time been included for a full accounting period. The group as a whole has benefited by its wide spread of over 100 offices around the world. Over 70 per cent of earnings now arise outside the U.K. and the group continues to make a significant contribution to the U.K. balance of payments. Demand for the inspection services provided by the group remains strong, they add.

comment

In recognition of a 136 per cent increase in pre-tax profits, Esperanza's shares rose 5p to 124p. The services side is now firmly established as the leader, through the 140 per cent. profits rise partly reflects the acquisition of Gellatly Hankey. As predicted, copper is proving less relevant to the company, so the 100 per cent. uplift here on the back of high copper prices, is mere icing on the cake. Overall, based on a traditional 50-50 split between the two halves, pre-tax profits for the year of £5.6m. look possible. On these figures the prospective p/e is 4.7 and the maximum dividend would yield 6.3 per cent.

VAVASSEUR

As foreshadowed no dividend will be paid by J. H. Vavasseur Group at December 31, 1976 on the 7.7 per cent. Redeemable Cumulative Preference shares nor

MINING NEWS

BP buys sea venture stake from RTZ

BY KENNETH MARSTON, MINING EDITOR

RECENT rumours of a link between British Petroleum and Rio Tinto-Zinc may be possible, says the news that BP has purchased half RTZ's 20 per cent stake in a five-year deep sea mining project. The venture is managed by America's 50 per cent interest Consolidated Gold Fields, Mitsubishi and Noranda each has a 10 per cent stake.

No financial details are disclosed but it is understood that BP has paid its portion of RTZ's share of past expenditure on the project, the total development in depths of 12,000-20,000 feet in the Pacific where nodules containing manganese, nickel, copper, cobalt and molybdenum are regarded as a significant new source of minerals.

LAURASIA SELLS GOLD PROFITS

One of the smaller mining hopefuls, Laurasia Resources is the only Canadian company with a producing gold mine in South Africa. The managing director says that Laurasia's Minador operation "will enjoy substantial profits in 1977, particularly in the second half of the year when the mill will be able to treat 5,000 tons of ore per month." At present 4,000 tons a month are being treated.

Among its other interests, Laurasia has a uranium property at Mont Laurier in Quebec which is being examined by Pancontinental Mining, the latter being entitled to earn up to a 70 per cent. interest in the venture. Results of the initial work there, however, are still being examined. Laurasia rose 32p yesterday.

ROUND-UP

Israeli diamond exports have hit a record \$700m. (\$412m.) for 1976, of which \$140m. represents net originator earnings, according to Mr. Moshe Schmitz, president of the Israel Diamond Exchange. He also announced that an international diamond congress is to be held in Tel Aviv in 1978.

Australia's Emperor Mines may have to close its Fiji gold operations if the bullion price does not rise to price of \$140-\$150 per ounce being needed to return to

profitability and to maintain exploration. The company hopes to make a definite statement on its future at the Melbourne meeting on January 13. Meanwhile, Emperor's auditors are reported to have qualified the accounts and believe that its reported loss of \$291,000 for the year to last June was understated by \$345,000. The shares were 25p yesterday.

A preliminary report by the consulting geologists of Wattie Gully Gold Mines indicates that there is a minimum of 2.75m. tons of uranium ore reserves averaging 1.6 lbs uranium per ton at the company's Wattie Gully mine in Western Australia. The Melbourne Stock Exchange is seeking clarification of the report. Wattie Gully shares were a nominal 8p yesterday.

DUIKER EXPLN. IS CONFIDENT

South Africa's Duike Exploration, which has emerged as Lesotho's chief mining vehicle in southern Africa following the recent acquisition of the coal mining assets of Witbank Consolidated and Tseefontein United, did well out of asbestos sanctions in 1976, reports our Johannesburg correspondent. The chairman, Mr. Denis Anderson, says that demand for blue fibre is very firm and the trend is expected to continue in the foreseeable future. Higher selling prices have been negotiated for anthracite exports and the domestic price is also expected to increase.

GEEVOR TIN IS DOING WELL

Riding a wave of buoyant prices for tin, Cornwall's Geevor Tin Mines reports a pre-tax profit for the six months to September 30 of £145, compared with a loss of £47,542 in the same period of 1975. In the previous full year to March 31 the mine reported a net loss of £51,138 before crediting a surplus on realisation of investments of £132,390. A single dividend of 5p net was paid.

On the later occasion, however, Geevor is declaring an interim of 6.3p net. Production is also running well at the Cornish mine, the total of tin concentrates produced for the eight months to the end of November being 616 tonnes, compared with 564 tonnes in the same period of 1975. The shares were 270p yesterday.

MINING BRIEFS

NEW GUINEA GOLDFIELDS—Production for the week ended December 12, 1976. Golden Brides Mill: Milled 11,244 tonnes of ore. Fine silver produced, 52.63 ounces. Fine silver produced, 63.22 ounces. Edie Greb: Fine gold produced, 1.88 ounces. Wau Savu: Fine silver produced, 34.76 ounces. Wau Savu: Fine silver produced, 34.76 ounces.

Sime Darby settlement endorsed

Shareholders of Sime Darby Holdings have endorsed without dissent the settlement of the Boardroom dispute which was agreed on earlier this month. A way for the resolution of the dispute between the previous, and largely British, Board and the Malaysian State-owned Pemas, a now consists of 12 members, of whom five are British.

Kingdom of Saudi Arabia

Wadi Sawawin Iron Ore Exploration

British Steel Corporation (Overseas Services) Ltd. are preparing an initial one year programme which will involve the core drilling of approximately 20 holes totalling about 2500 metres in the Pre-Cambrian iron formation of NW Hejaz in mountainous country under desert conditions.

This initial programme is likely to be followed by further drilling.

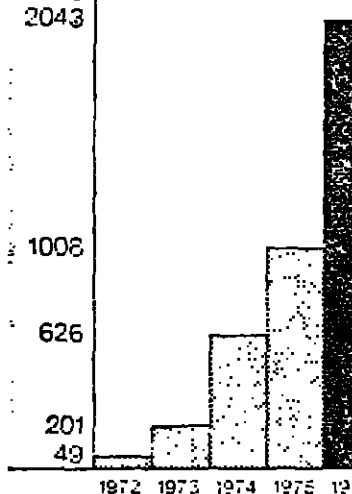
Companies interested in receiving detailed specifications should apply by telex before January 15th, 1977 to:

D.R.F. HILL, BSC (Overseas Services) Ltd., 151 Gower Street, London. Telex No. 265123

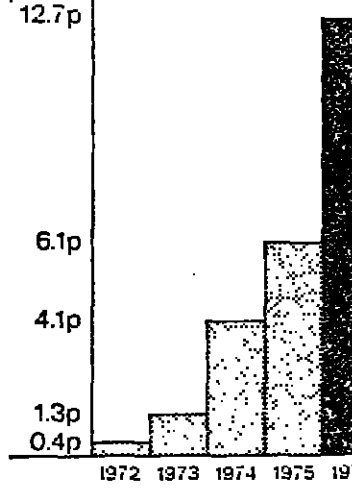
Redman Heenan International Limited

"The group achieved a much more balanced performance than in the past"

Profit before tax



Earnings per share



- Extracts from the Review by the Chairman Mr Angus Murray
- The improvement in profits now reported reflects... a continuation of benefits derived from better marketing, more efficient organisation and tighter control of working capital?
- Overall the group achieved a much more balanced performance than in the past with previous loss makers returning to profits, marginal performers showing improvement and profit makers maintaining their position under the conditions which prevailed?
- The diversity of engineering activities within the group has proved to be a source of strength in 1976 and should continue to stand it in good stead for the future?
- Increased investment in both product development and capital equipment has been planned for 1977?
- Under the management of the Chief Executive, Mr. E. Brian Gould and his team, progress will be maintained and the group can be expected to continue to grow with enhanced job opportunity and security for employees at all levels?

The activities of the group include: the design, manufacture and supply of specialised engineering products and ancillary services, including hydraulic and mechanical presses, cylinders, dynamometers and test plant, waste handling and incineration plant, drives and couplings, steel and aluminium flooring systems, conveyors, mixing machines, metal working equipment, coil handling equipment, packaged cooling towers and a wide variety of precision tooling.

Results in brief for the year ended 30th September		1976	1975
Turnover		£28,889	£23,757
Profit before tax and extraordinary items		2,043	1,008
Dividends per Ordinary share (gross)		2.5p	1.54p
Earnings per Ordinary share		12.7p	6.1p
Shareholders' funds		7,210	5,623
Net assets per Ordinary share		46.0p	35.4p
Borrowings as a percentage of shareholders' funds		17.3%	55.9%

To: The Secretary, Redman Heenan International Limited, PO Box 29, Shrub Hill Road, Worcester WR4 9EQ.

Please send me a copy of the 1976 Report & Accounts.

Name _____

Address _____

SIMCO MONEY FUNDS (Saturn Investment Management Co. Ltd.)	
Rates for deposits of £1,000 and upwards for w/e 21.77.	
7-Day Fund	% p.a.
Mon.	15.038
Tues.	15.008
Wed.	15.268
Thur.	15.517
Fri./Sun.	15.395
2-Month Fund	
Wed.	14.125

THE NEW THROMMORTON TRUST LTD.	
Capital Loan Stock Valuation — 4th January, 1977	
The Net Asset Value per £1 of Capital Loan Stock is Nil, therefore the Tender price is Nil. Securities valued at middle market prices.	

THE MOSS ENGINEERING GROUP LIMITED

Profits break through the £1m

At present our internal budgets suggest the current year will produce results similar to its predecessor. On earlier occasions I have referred to our ability to write the best out of difficult situations and having done this in 1976, we have a fighting chance of producing further growth from 1977. In terms of both the present and the future, the Group is in good order, indeed we look forward, with eagerness, to the programme we have set ourselves.

ERNEST CARB
Chairman and Managing Director.

BIDS AND DEALS

London Brick agrees £4m for Croydex

London Brick has made an agreed bid of 125p cash per share for the 83 per cent of the equity it does not already own in Croydex, a manufacturer and distributor of household and garden products. The offer is worth £3.74m. and values Croydex at £4.60m.

WHITECROFT REVIEWING FORECAST

Clues to the likely defensive strategy of Whitecroft, the textile concern for which Hanson Trust has made a 122p a share cash bid were given over the week-end by the Whitecroft Board, which had earlier designated the offer as totally inadequate.

GRA TRUST SELLS WALTHAMSTOW STADIUM STAKE

Continuing its programme of disposal, GRA Property Trust has sold its 32.68 per cent in Walthamstow Stadium for £41.544. The purchasers are members of the Chandler family who are already controlling shareholders of Walthamstow.

OPPOSITION TO BOOKER

Opposition to the 235p a share cash bid for Kinloch (Provisional Merchants) by Booker is voiced in a letter to shareholders from Mr. Douglas Scarff, Kinloch's founder and its deputy chairman up to his retirement in 1972.

SW INSURANCE MOVES

The general insurance business of Slater Walker Insurance has now been transferred to Continental Casualty, the U.K. subsidiary of CNA, a leading U.S. insurance group.

comment

There are some obvious reasons why London Brick should want to acquire Croydex. The latter's products are mainly ahead at the DIY/home improvement market which will offer LB some cushion against the projected drop in the housebuilding market this year.

Amalgamated Stores Argo puts up £1.4m. for rest of Williams Hudson plans expansion

FURTHER property acquisitions are envisaged for Amalgamated Stores, the troubled concern into which it proposed a £1m. range of properties should be injected by Mr. Frank Phillips, Mr. Leonard Phillips and Mr. Stanley Wise against an issue of new shares which will give them control.

Argo Group SA, a private family trust of Mr. David Rowland, chairman of Williams Hudson, is to offer £1.4m. for the outstanding shares it does not already own in Williams Hudson.

The Hudson Board, which holds 6 per cent of the equity, advises shareholders and stockholders to take no action until it has had time to give the offer full consideration.

Argo's offer also includes the £1.03m. of Hudson 54 per cent convertible loan stock. As this is convertible into 1,42m. new shares, Argo points out that any exercise by stockholders of their conversion rights will dilute Argo's shareholding to below 50 per cent of the then voting rights.

party at an annual rental of £20,000. The sale is in line with the policy of realising surplus used to reduced group indebtedness.

CALOR GAS IN £2M PROPANE STORAGE DEAL

Calor Gas Holdings, the main subsidiary of Imperial Chemicals, has bought Phillips Petroleum's refrigerated bulk storage for propane at Felkstone for £2m. in cash.

CHARTERHALL FINANCE

Charterhall Finance Holdings has acquired the whole of the issued capital of Norminol (U.K.) for £250,000 in cash.

PMA DISPOSAL

PMA (Holdings) announces the disposal of its freight warehouse at Menton, Eccles, Lancashire (net book value £110,000) for £100,000 in cash.

WM. MALLINSON'S £24M. U.S. PURCHASE

Timber group William Mallinson and Denney Mott has bought for U.S.\$3.85m. (approximately £2.6m.) the capital of Thompson Mahogany of Philadelphia, a private company engaged in the business of high-quality hardwoods and decorative veneers.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission. Standard Chartered Bank/Wallace Brothers and Co. (Holdings), and Lonrho London, City and Westchic Properties.

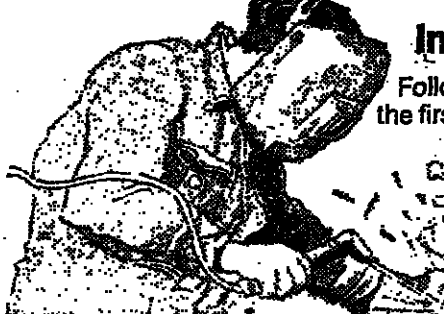
C.M.T.

"Second Half Recovery"

reports Norman Hickman, the Chairman

Despite a difficult trading year with a world recession, both turnover and profits for the year ended 31 July 1976 increased. Turnover amounted to £47,895m (1975—£43,037m.) and pretax profits were £3,529m against £3,264m.

and commitments for the current year total almost £2 million. This heavy programme should increase both our return on capital employed and our earnings per share in the future.



Industrial Services

Following very low trading levels in the first half year, demand increased dramatically, culminating in record sales and orders received during the fourth quarter.

Metal Processing

Despite considerable fluctuations, general prices rose strongly in the second half of the year and caused problems in obtaining sufficient supplies.



Steel Stockholding

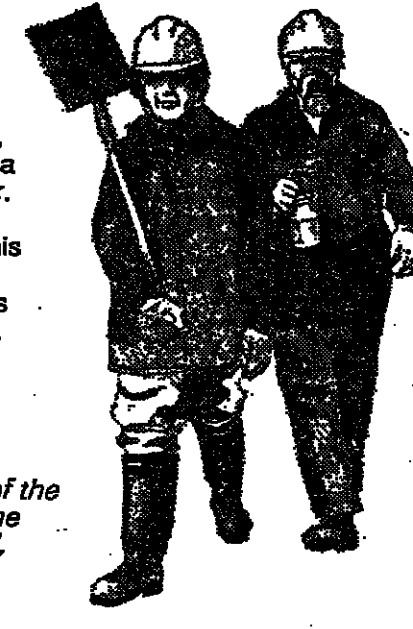
After a poor start, the trading conditions became progressively better and demand improved considerably. Current year trading has continued at a satisfactory level and if conditions remain the same throughout the year the division should achieve creditable results.

Tubes, Fittings & Forgings

We have achieved substantial rationalization and the new plant installed is in full production. Further automated machining plant is due for delivery shortly and this will enable the division to become one of the most modern mechanists of tube fittings in the U.K.

Light Engineering

Despite the low order book for the first six months, business gradually began to increase resulting in a high level of activity, particularly in the last quarter.



The above text is an extract from the Annual Report for the year to 31 July 1976. Copies of the full Report and Accounts are available from the Secretary, The CMT Group, Halesowen Road, Dudley, West Midlands DY2 9NR.

Table with 3 columns: The Year in Brief, 1976, 1975. Rows include Earnings for shareholders, Cost of dividends, Profit retained, Shareholders' funds, Ordinary dividends - actual per share, Net earnings per 10p share.

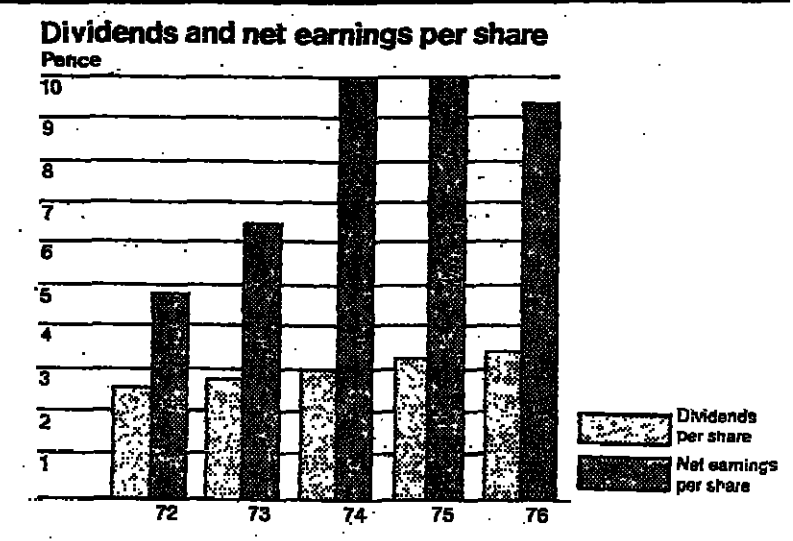
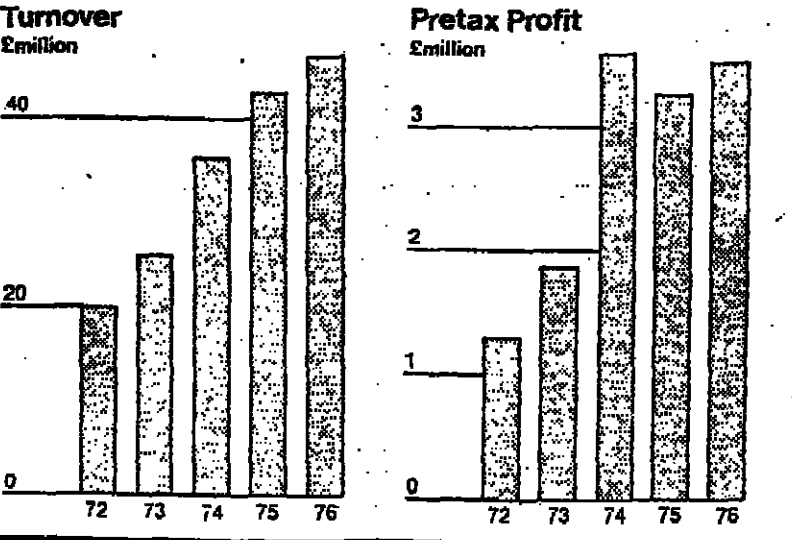


Table titled 'Divisional Analysis of Results' with columns for Sales, Trading profit before interest, and Trading profit after interest for Industrial services, Light engineering, Metal processing, Steel stockholding, Tubes, fittings and forgings.



The Central Manufacturing & Trading Group Limited

RECENT ISSUES

Table of recent issues including titles like 'EQUITIES' and 'FIXED INTEREST STOCKS' with columns for issue date and price.

"RIGHTS" OFFERS

Table of rights offers with columns for issue date, price, and company name.

NEWS INTL

News International yesterday confirmed it has agreed to sell its 45 per cent share stake in Thames Valley Broadcasting, the local radio station at Reading, Berkshire.

SHARE STAKES

TPG Investments is interested in 1,127,262 Newman Industries Ordinary shares. Taking into account the recent scrip issue the issue relating to the acquisition of Agar Cross and Co., this interest represents 12.8 per cent of Newman Ordinary shares.

FFI TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received no later than 31.12.76.

UBAF BANK LIMITED advertisement. Includes logo, address (PO Box 169, Commercial Union Building, St Helens, 1 Undercliff, London EC3P 3HT), and information about the change of name to UBAF Bank Limited with effect from 4th January 1977.

Handwritten Arabic text at the bottom of the page.

INITIAL FINANCIAL AND COMPANY NEWS

EUROBONDS

Starting in optimistic mood

BY TONY HAWKINS

After a record year in 1976, the Eurobond market is starting the New Year in an optimistic mood. Indeed, the optimism is probably overdone in the dying days of the old year when soaring market prices were pushed as to what some dealers described as unrealistic levels.

With long-term yields continuing to decline during the first half of the year, this implies a narrowing of interest-rate differentials that could well induce short-term holders—especially the banks and financial institutions—to start to liquidate some of their holdings with ramifications for both the secondary and primary markets.

cracking pace. Private placements include the \$100m. for ICI International Finance over 10 years (average life 8.6 years) on an 8 1/2 per cent coupon.

SKF of Sweden, new to the dollar sector of the market, is coming on an 8 per cent coupon over ten years (average life 7.6 years) to raise \$30m.

DSM sees 1976 profits in line with previous year

BY MICHAEL VAN OS

AMSTERDAM, Jan. 4.

DSM, the Dutch state-owned chemicals company, has indicated in Heerlen that its 1976 operating result—profits after depreciation but before tax—rose "somewhat" from the previous year's level of Fls.288.4m.

been continuously low as a result of a clear cyclical recovery not taking place, technical set-backs in number of production centres, causing a loss of output, and the costs of the large expansion programme begun by the company.

senting an increase of around 15 per cent on the previous year. A "good index" of profits can be expected over 1978, according to the company chairman.

Akzo falls short of expectation in 1976

By Our Own Correspondent

AMSTERDAM, Jan. 4.

MR. HUGO Kraaijenhoff, chairman of the Akzo chemicals group, has said in a new year message to the staff that although 1976 has ended better financially than the previous year, it fell substantially short of expectations.

Special Fiat meeting for Jan. 18

BY PAUL BETTS

ROME, Jan. 4.

Fiat Chairman, Sig. Giovanni Agnelli, has called a special meeting of Fiat shareholders to be held in Turin on January 18 to discuss the recent decision to increase the company's capital by 15bn. to L165bn.

ence shares with a nominal value of L500. The entire package will be reserved for the Libyan Bank.

Referring to the surcharge of L6,500 on the 20m. Ordinary and 10m. preference shares Libya agreed to buy in December, Sig. Agnelli said this reflected an objective valuation of the company's strength.

INGAPORE AIRLINES SIA profit at peak \$533m

BY H. F. LEE

SINGAPORE, Jan. 4.

THANKS TO a continuation of the very high capital expenditure, Singapore Airlines (SIA) recorded a record profit of \$533m in the first three months ending November 76.

—by the middle of next year. In the coming year which will be SIA's 30th anniversary, a significant achievement for the airline, Mr. Pillay noted, will be the attainment for the first time of revenue of \$51bn. while total assets of the group will also exceed \$51bn.

Mr. Birbaum said the company is expecting 1977 to be another poor year. He promised structural changes within the company, but gave no details.

Earnings decline at Salzgitter

SALZGITTER, Jan. 4.

EARNINGS OF the State-owned steel and shipping concern Salzgitter were worse in the 1975-76 year ended September 30 than in the previous year, a company spokesman said.

ECOPETROL Empresa Colombiana de Petróleos \$100,000,000 Seven Year Financing. This announcement appears as a notice of record only. December 1976. Managed by N. M. Rothschild & Sons Limited.

Diamond Shamrock Corporation \$125,000,000 7.70% Sinking Fund Debentures due December 15, 2001. All these securities having been sold, this announcement appears as a matter of record only.

Vertical text on the left margin: Barnard Jute incurs \$0.77 m. def. Fraternal mid-term loss increased. Bank statistics. Local hold. Treasury. Dividend.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

KemaNord share selling on offer for Sw Match

BY WILLIAM DULLFORCE

STOCKHOLM, Jan. 4.

SWEDISH MATCH A shares closed at Kr.110 after reaching Kr.115 on the Stockholm Stock Exchange today after two days' trading following the suspension of dealings on December 23, when the KemaNord takeover bid for the group became known. The A shares have put on Kr.20-30 from December 23, while the B shares have risen from Kr.80 to close at Kr.100 this afternoon. Over the same two days the KemaNord shares have fallen from Kr. 290 to a closing price of Kr.288. Demand for the Swedish Match shares has not been as great as expected and the rise in price less than that anticipated by some brokers. The decline in the KemaNord price is thought to be due to selling by shareholders anticipating a takeover of the KemaNord chemical company is persisting with its offer of one KemaNord share and a Kr.200 convertible bond for four Swedish Match shares. The refusal of the Swedish Match board to recommend the offer. The merger would create a conglomerate with sales of close to Kr.70n. (sterling bn.). Mr. Lars-Erik Thunholm, the Swedish Match chairman, said here today that his board hoped to reveal details of its programme to restore the group's profitability in February simultaneously with the publication of the KemaNord takeover prospectus. Swedish Match earnings tumbled from Kr.270m. in 1974 to Kr.71m. last year, while the 1976 account is expected to show a small loss. The corporate planning staff has been working on a recovery programme since last spring, when Mr. Thunholm took over as Chairman. He acknowledged today that Swedish Match had made "some unfortunate investments" over the past few years but the losses incurred in 1975 and 1976 were concentrated in four or five areas only, while the rest of the group was profitable and had growth potential. The divestment programme planned would entail the sale or closure of some units and the restructuring of others, either by cuts in capacity or by product changes. Some production of KemaNord earnings should the takeover go through. The smaller KemaNord chemical company is persisting with its offer of one KemaNord share and a Kr.200 convertible bond for four Swedish Match shares. The refusal of the Swedish Match board to recommend the offer. The merger would create a conglomerate with sales of close to Kr.70n. (sterling bn.). Mr. Lars-Erik Thunholm, the Swedish Match chairman, said here today that his board hoped to reveal details of its programme to restore the group's profitability in February simultaneously with the publication of the KemaNord takeover prospectus. Swedish Match earnings tumbled from Kr.270m. in 1974 to Kr.71m. last year, while the 1976 account is expected to show a small loss. The corporate planning staff has been working on a recovery programme since last spring, when Mr. Thunholm took over as Chairman. He acknowledged today that Swedish Match had made "some unfortunate investments" over the past few years but the losses incurred in 1975 and 1976 were concentrated in four or five areas only, while the rest of the group was profitable and had growth potential. The divestment programme planned would entail the sale or closure of some units and the restructuring of others, either by cuts in capacity or by product changes. Some production of KemaNord earnings should the takeover go through. The smaller KemaNord chemical company is persisting with its offer of one KemaNord share and a Kr.200 convertible bond for four Swedish Match shares. The refusal of the Swedish Match board to recommend the offer. The merger would create a conglomerate with sales of close to Kr.70n. (sterling bn.). Mr. Lars-Erik Thunholm, the Swedish Match chairman, said here today that his board hoped to reveal details of its programme to restore the group's profitability in February simultaneously with the publication of the KemaNord takeover prospectus.

Sandoz sees rise in U.S. turnover

By John Wicks

ZURICH, Jan. 4.

THE SHARE OF THE U.S. in group turnover of the Swiss-based Sandoz will reach some 26 per cent. this year, as compared with about 18 per cent. in 1976. This is stated in a letter to shareholders of Sandoz AG, Basle. The sudden rise in U.S. business follows the recent acquisition of the Minneapolis-based Northrup King and of Chicago dietic supply, The Northrup, King deal was Sandoz' biggest ever foreign acquisition.

For 1976, total group sales will be of some 4 per cent. more than that of Sw.Fr.3,928n. recorded for 1975. As 1975 turnover was 2.1 per cent. down on that of the previous year, the 1976 rise will have returned the group to a level above that reached before the 1975 setback.

A breakdown into product groups shows that dyestuff sales, down 14 per cent. in 1975 at Sw.Fr.1,148n., rose by over 14 per cent. again to compensate for this decline. Particularly good results were recorded for pigments and additives, whose share in overall dyestuff business will grow as the result of the run-on last year of a new plant at Huntington, Utah. The group again put to full use, though profit levels for 1974 were not attained due to the effects of exchange-rate development on this sector, which is based to a comparatively large extent in Switzerland. International competition in dyestuff continues in pharmaceuticals, Sandoz' Swiss-Franc turnover of Sw.Fr.2,138n. was kept up, a fact which the company regards as satisfactory in view of the exchange-rate developments. Price freezes of pharmaceuticals continue to play a decisive role in various national markets, however. Elsewhere, agro-chemical turnover dropped below the 1975 level of Sw.Fr.352n. due to weather conditions and the recession, while the foodstuffs division (1975 group sales: Sw.Fr.389n.) progressed well.

Berth order

The Agaba Port Department of Jordan has placed an order with Ishikawajima-Harima Heavy Industries (IHI) for a floating berth valued at about \$5m. IHI said it is the second floating berth ordered by the Jordan Government.

Commission to create two German steel sub-cartels

BY A. H. HERMANN, LEGAL CORRESPONDENT

AS PART OF the arrangements which led to the already reported EEC-wide quota-cartel for the steel industry, the EEC Commission intends to approve the establishment of two huge sub-cartels embracing over 40 per cent. of the German steel capacity plus Aisbed, the great steel works of Luxembourg. The two sub-cartels, Groupe "North" and Groupe "South" will obtain from the EEC Commission global production quotas which they will share out between their members.

The announcement of the new steel policy of the Commission, combining the quota system and approval for the two German groupings was made on December 21, and was immediately followed by the Commission's approval of the acquisition of the Maxhütte Steel Company by Klöckner, creating a German steel group exceeded in size only by Thyssen, Estel-Hoesch-Hoekling and Wipac-Südwestfalen in the volume of steel production.

The companies which came together through the co-operation and rationalisation agreement into Group "North" consist of five major companies which reported EEC-wide quota-cartel with a relatively wide production range, namely Krupp, Südwestfalen, Klöckner, Peine-Salzgitter and Maxhütte, and of three smaller and specialised steel makers, Roetzel, Siegener and Wuppermann. The agreements between these companies provide for joint production and mutual deliveries of semi-finished products.

There will be a particularly intensive co-ordination of programmes between Krupp, Klöckner and Peine-Salzgitter, together representing about 28 per cent. of German steel output and 54 per cent. of EEC output of steel.

Group "North" consists of three sub-groups. One controlled by Arbed includes also Felten and Guillaume, Eschweiler and Röchling-Burbach. The second, led by Otto Wolf includes Rasselstein, Bochum and Neunkirchen. The third consists of Dillinger Eisenwerke which belong to the Marie-Wendel group. The entire Group "South" represents about 74 per cent. of EEC steel output.

Second loan made by NIB

By Lance Keyworth

HELSINKI, Jan. 4. NORDISKA Investeringarbank (NIB—Nordic Investment Bank) has made its second loan. The sum is Norwegian Krone 50m and the recipient is Icelandic Alloys. The loan is repayable in 1981-1994.

The loan is for a ferro-silicon production plant with an annual capacity of 50,000 tons to be built by the Norwegian company Elkem-Spigerverket. The investment cost is estimated at Nkr.450m. The State of Iceland owns 55 per cent. and Elkem 45 per cent. of Icelandic alloys. The remainder of the financing will come from Norway and the existing shareholders.

The first of the two Elkem smelters is scheduled to go into production at the turn of 1978, and the second one and a half years later. Elkem, which already exports over 1000 tons of ferro-silicon yearly from its own production plants in Norway will handle the Icelandic exports as well.

NIB was established by Denmark, Finland, Iceland, Norway and Sweden in July 1967 and started trading in August. Its first loan of Nkr.100m. was granted in December to the Finnish power utility Imatran Voima, for a joint Finnish-Swedish electric power transmission line.

The first tranche of NIB's share capital was paid up in August 1976 and two further tranches will be paid in 1977 and 1978, bringing the total to one-fourth of the authorised level of about Nkr.2.4bn. NIB will finance its lending business both from capital (as for the Imatran Voima, for a joint Finnish-Swedish electric power transmission line).

With a favourable climate for economic development and availability of capital resources, Alcan's level of capital spending in 1977 could reach record levels. Last year they were lower than expected because of the labour troubles in Canada.

AMERICAN NEWS

Alcan runs ahead of schedule

BY ROBERT GIBBENS

MONTREAL, Jan. 4.

ALCAN ALUMINIUM sources said that its main Quebec smelters at Arvida, Ile Maligne, and Beauharnois are now working at 80 per cent. of operating capacity and are ahead of the restart schedule set in mid-November after the five months Quebec smelter strike was settled.

There are hopes of a settlement shortly at the Shawinigan plants and at the company railway between Port Alfred and the Arvida works.

The company is looking forward to an early meeting with the new Quebec government to clarify the Government's objectives for the aluminium industry generally. Alcan has a \$Cibn. ten-year modernisation programme for its Saguenay smelting system, starting with a record high by some 7 per cent. The company expects to cost around \$200m. The share fully in this market group.

Canadian Pulp underperforms

THE CANADIAN pulp and paper industry is underperforming its chief competitors, says Mr. Howard Hart, President of the Canadian Pulp and Paper Association. Hourly rates of pay in the mills are higher than in the U.S., productivity trends are down, transport and equipment costs rising. Cash flows and profit margins are still being squeezed, he said, according to Robert Gibbens in Montreal. Total 1976 shipments will be about 19m. tons, or up 16 per cent. from 1975. Total newsprint shipments will be about 8.7m. tons, up 13 per cent. and wood pulp 6.5m. tons, up 20 per cent. Industry shipments and operating rates are expected to stay close to present levels.

Sales, profits recover at PLM

By Our Own Correspondent STOCKHOLM, Jan. 4. PLM, the Swedish metal can, packaging and waste treatment concern, announces in a preliminary report for 1976 pre-tax earnings of approximately Kr.70m. (£10m.) a 7.5 per cent. growth in turnover to Kr.1,985m. (£266m.). Earnings increased by over Kr.20m. compared with the previous year but were still short of the Kr.116m. achieved in 1974. Adjusted net earnings come out at Kr.15 per share against Kr.10 on the 1975 account and the Board intends to propose an increase in shareholders' dividend from Kr.5.50 to Kr.6.

Galleries Anspach to follow trend to suburban trading

BY DAVID BUCHAN

BRUSSELS, Jan. 4.

THE NED owners of Galleries Anspach intend to move the bulk of the big Belgian store chain's activities out of the downtown areas and into the faster growing suburbs, in a bid to revive its ailing fortunes. M. Jean Pierre de Bodt said today. M. de Bodt is the spokesman for his family group which sold Galleries Anspach to Sears Roebuck, the U.S. retail giant, in 1971 and which has just bought it back again for an undisclosed sum in a deal concluded late last month. Galerie Anspach has not made a profit since 1970, a fact attributed generally to its present concentration in Belgium's inner cities. Sears has agreed to allow the sale to continue to underwrite a big new shopping centre that Galleries Anspach is building in the north of Brussels to the tune of \$15m. over a 20 year period. Galleries Anspach is hoping for State help with a similar development to the south of the capital. Another condition of the sale is that Sears write-off most of the debt of the Anspach group. In addition, M. de Bodt said that Galleries Anspach was now assured of sufficient working capital at least for the next three years. Part of the chain's new cash injection comes from the Societe Nationale d'Investissement (SNI), the semi-State body, which as provided B.Fr.200m., giving it an equity stake of perhaps up to 20 per cent. Getting such State help has undoubtedly been easier for de Bodt group which now puts at least 80 per cent. of the equity back in Belgian hands, than for the expatriate Sears. But providing it has not exactly pleased the SNI whose chairman has recently complained that his organisation's resources are being squandered by the State in rescuing lame ducks rather than in pursuing the SNI's original aim of helping new or small industries with potential.

SELECTED EURODOLLAR BOND PRICES

Table with columns for Bond Type, Issuer, and Price. Includes sections for STRAIGHTS, D. MARK BONDS, CONVERTIBLES, and FLOATING RATE NOTES.

Advertisement for Sandoz Overseas Limited. Text: 40,000 Units Sandoz Overseas Limited U.S. \$64,000,000 4 1/2% Guaranteed Convertible Debentures Due 1988. Includes Sandoz Ltd. logo.

Advertisement for Union Bank of Switzerland (Securities) Limited. Lists various international banks and financial institutions.

Advertisement for Dravo Lime Company. Text: \$60,000,000 Financing through production payment to be liquidated by December 15, 1991. \$50,000,000 paid at closing and \$10,000,000 to be paid prior to February 25, 1977. Kuhn, Loeb & Co. New York - Chicago - Dallas - San Francisco International Affiliates London - Tokyo

Handwritten Arabic text: شركة من الامم المتحدة

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FINANCIAL TIMES SURVEY

Wednesday January 5 1977

Multi-Bank Consortia

The concept of consortium banking, while by no means wholly rejected, has undergone considerable modification in recent years. Growth in the number of consortia has fallen away, size, function and management objectives have come to vary widely, and the label Eurobank has begun to emerge.

Fresh look at the meaning

By Tony Hawkins

AT THE START of 1977 it is difficult indeed to escape the conclusion that the term consortium bank has outlived its usefulness. There is nothing surprising about this. All generalisations are misleading and any attempt to "analyse" the achievement and performance of a disparate group of financial institutions—grouped together for reasons of administrative convenience more than anything else under the consortium umbrella—is no exception to this rule.

often included in the consortium category, which make little secret of their dislike of the concept because it links them with others which have developed—along very different lines. This is one reason—possibly the main one—why the term consortium seems destined to lapse and be replaced by the even more generalised, but still more appropriate, concept of the Euro-bank. In many respects this would be entirely logical—reflecting the close relationship between the development of the Euro-bank and the concept of consortium banking on the other.

The Bank of England has defined consortium banks as "banks which are owned by other banks but in which no one shareholder has more than 50 per cent ownership and in which at least one shareholder is an overseas bank." But this definition, while operationally meaningful in so far as the collection and presentation of statistical data is concerned, inevitably means different things to different people.

Looking at the shareholder structure, the reason for a more discriminating approach to the definition of consortium banks is again apparent. For instance, European Banking Company has seven shareholders (Amro, Banca Commerciale Italiana, Creditanstalt Bankverein, Deutsche Bank, Midland Bank, Societe Generale de Banque and Societe Generale) each with 14.3 per cent, whereas Allied Bank International has 18 banks as shareholders each with some 51 per cent of the equity.

LONDON-BASED CONSORTIUM BANKS

	Assets £m.
1. Allied Bank International	—
2. Anglo-Romanian Bank	62.6
3. Associated Japanese Bank	338.1
4. Atlantic International Bank	93.7
5. Banque de la Societe Elanaciere	—
6. Brown Harriman International	79.8
7. Canadian American Bank	—
8. Euro-Latinamerican Bank	42.2
9. European Banking Company	249.0
10. European Brazilian Bank	231.0
11. International Commercial Bank	422.7
12. International Energy Bank	83.5
13. International Mexican Bank	103.0
14. Iran Overseas Investment Bank	67.6
15. Italian International Bank	179.0
16. Japan International Bank	296.3
17. Libra Bank	172.5
18. London Interstate Bank	52.1
19. London Multinational Bank	327.6
20. Midland and International Banks	799.0
21. Nordie Bank	253.1
22. Orion Bank	717.0
23. Saudi International Bank	n/a
24. Scandinavian Bank	486.0
25. UBAF	256.0
26. United Bank of Kuwait	309.5
27. United International Bank	192.4
28. Western American Bank	137.8

Source: The Banker.

Character It is not simply a matter of comparison between seven shareholders in one case and 18 in the other, but also the size and character of the shareholders—a selection of Europe's leading banks in the first case, and regional U.S. banks in the second.

Related to this is the ability of a Eurobank to place surplus funds at a time of depressed domestic loan demand in the interbank and syndicated loan markets. Long-term advantages include the access to international expertise and the experience, the exposure to closer international links with other major (non-competitive) banks and the opportunity to widen activities—regionally, in terms of activity and in terms of scale.

Access Above all, the consortium (or Eurobank) arena is one that lends itself to experimentation and innovation. Market sophistication as we know it to-day is at least partly the result of the willingness of the consortia to "have a go" in fields for which they were less than completely qualified. The way in which some large commercial banks else, a people business. It is

CONTINUED ON NEXT PAGE

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International Commercial Bank Limited

Extract from Audited Accounts 31st December 1975

Share Capital and Reserves	£13,440,186
Subordinated Loans	£11,288,076
Total Deposits	£373,650,316
Total Assets	£422,723,898

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MULTI-BANK CONSORTIA II

U.S. attitudes lukewarm

The attitudes of U.S. banks to consortium ventures can best be described as lukewarm. True, it is virtually impossible to find a major U.S. bank which does not have a stake in a consortium bank somewhere in the world — out of the top 20 U.S. banks, 12 have stakes in at least one London consortium bank. But, with very few exceptions, American bankers have never shared the European enthusiasm for working together in consortia.

U.S. banks, for example, are poorly represented in the Arab consortia which have been set up over the past few years. Where they have the choice, they normally prefer to "run their own show" and are not keen to become involved in the "polling" associated with a long list of shareholders whose many and varied interests have to be satisfied in a joint venture.

Apart from differences in temperament and management style however, American attitudes to consortium ventures have hardened perceptibly over the past few years. Partly it is a question of profitability. American banks are under more pressure from the investment community to demonstrate solid earnings growth.

Whereas many of their European rivals are State-owned and do not need to devote as much attention to growth in earnings per share, U.S. banks are much more sensitive on this score. A weak earnings record can hamper their plans to raise extra capital, and they cannot fall back on a State guarantee for support.

As a result American banks tend to put more emphasis on the profitability of their consortium affiliates. Because of the need to build up their capital resources, some consortium banks have yet to pay a dividend while others are following a conservative distribution policy. A few U.S. banks which invested in the sterling capital of London consortium banks may have to write off part of their investment following the slide in sterling.

Looked at in purely financial terms, therefore, U.S. banks' investments in consortium ventures have rarely been particularly profitable, added to which banks have been made painfully aware over the past few years that their involvement in a consortium bank can sometimes entail them assuming more than their share of the risk if a consortium bank runs into trouble.

Forced

A few years ago the U.S. shareholders of Western American Bank were forced to take on to their own books a substantial portion of that bank's loans when it started having difficulty funding its portfolio. Texas Commerce Bank had to pick up the pieces of Burston and Texas Commerce Bank after the majority partner (the Burston group) had run into financial difficulties, and Citibank found itself injecting fresh capital into Grindlays Bank to bolster its capital base following the property losses at Brands. While memories of the Franklin and Herstatt collapses and the U.K. fringe banking crisis have faded away, the lessons of that period have sunk in and even if the banks might be tempted to overlook them at some future date, the U.S. regulatory authorities, in the guise of the Federal Reserve, are going to ensure that the same mistakes are not repeated.

BANK	Size \$bn.	LONDON		CONSORTIUM BANK	
		Branch	Merchant Bank	Multi-purpose	Specialist
Bank America	65.8	•	•		Int. Mexican Bank Eurobraz Iran Overseas
Citibank	52.8	•	•	Orion	Libra
Chase	40.7	•	•		Iran Overseas
Man. Hanover	37.4	•	•		Saudi International
J. P. Morgan	25.0	•	•	London Multinatnl.	
Chemical	22.4	•	•		
Cont. Illinois	20.0	•	•		
Bankers Trust	19.5	•	•		
First Chicago	18.5	•	•	Int. Commercial	
Western Bancorp	18.3	•	•		
Sec. Pacific	14.5	•	•	Western American Western American Int. Commercial	
Wells Fargo	12.1	•	•		
Charter	10.9	•	•	Unital Intnl.	
Marine Mid	10.8	•	•		
Crocker	10.1	•	•		
Mellon	8.8	•	•		
First Nat. Boston	8.4	•	•	Western American Brown Harriman and Intl. Banks	
Nat. Detroit	7.3	•	•		
First Bank Systems	7.2	•	•		
First Penn.	6.5	•	•		

Source: The Banker.

A year ago the Fed. issued a policy statement on U.S. banks' joint ventures abroad. The gist of the statement was that the Fed. would take a much closer look in future at U.S. banks' plans to participate in foreign consortia and joint ventures. Unlike British or Continental banks, U.S. banks normally have to seek official permission before making an overseas investment.

This is no mere formality. In the past, for example, First Chicago has been prevented from taking a half-share in a planned Spanish merchant bank in London. And this is no isolated case. Even the biggest U.S. money-centre banks have had overseas plans turned down by the regulatory authorities.

In considering applications the Fed. now takes into account the possibility that the joint venture might need additional financial support and that this support could be larger than the bank's original equity investment. The applicant's ability to meet any additional demands put upon it, in the form of extra financial or managerial support, also comes under scrutiny.

The Fed. has emphasised that its policy statement was "not intended to prohibit or discourage" new foreign joint ventures. It wanted only to "clarify for all parties concerned the probable magnitude of the risks involved." Clearly, however, the combination of official nudging and the banks' own experiences over the last few years, has forced most of them to re-evaluate their existing stakes in consortium ventures and their plans to make new investments.

There have been a few cases of U.S. banks pulling out of joint banking ventures overseas — Morgan Guaranty, for example, is disposing of its 51 per cent stake in its Italian affiliate, Banca Morgan Vonwiller, while Bank of America has sold all but 5 per cent of its stake in Rabomerica International Bank. But, in practice, to pull out of a consortium bank is less simple than it might first seem — the number of banks wanting to buy into existing consortium banks has decreased. The alternative is to take full control oneself, and this is what a number of American banks have decided to do.

Nevertheless, U.S. banks still continue to take interests in joint banking ventures, though the number and variety of the new stakes have fallen off. Over the past year, for example, Chase Manhattan has taken a 25 per cent stake in the Saudi Investment Banking Corp., and Bank of America has taken a 40 per cent interest in the Financial Group of Kuwait. In Europe, Philadelphia National Bank has bought 16.6 per cent of a Copenhagen private bank, R. Henriques, while Girard, via its Swiss affiliate, has bought a similar stake in Diebag, a small Frankfurt bank which specialises in documentary credit business and trade financing with a Latin American bias.

However, the U.S. approach to consortium banking ventures has changed fundamentally over the past five years. Where as in the late 1960s many American banks joined London-based consortia to develop their medium-term lending skills in the Euromarkets, they soon discovered that consortium banks offered few advantages which they could not develop themselves.

Changed

True, they did spread the initial risk, which was important for the smaller banks but they also spread the profits and small banks found that they could participate as effectively in the Eurocurrency markets via their London or Nassau operations, while the big banks were unwilling to allow their consortium affiliates to cream off the lucrative international merchant banking business which was starting to emerge.

Many of the major U.S. money-centre banks have set up specialist merchant banking subsidiaries over the last few years, which in fact cover much the same ground. Chase Manhattan Ltd., for example, competes with its two affiliates, Libra and Orion, to manage syndicated loans, and offer other fee-related services.

Against this background the rationale for consortium banking ventures has changed. Major U.S. banks, while generally reluctant to abdicate management control to a consortium affiliate, will do so in two situations. The

first is where the consortium venture can offer a specialist service which the bank cannot easily duplicate. This sounds fine in theory, but with the growing sophistication and variety of bank services, is sometimes difficult to implement in practice, since nowadays banks like to offer a full range of "in-house" services.

The second situation where U.S. banks have no alternative to the consortia approach is in the Middle East and the developing countries. The concession of local majority ownership is often the sole means of gaining access to the local market. U.S. banks are reluctant to follow this course (witness Citibank's spirited fight to maintain full control of its Colombian branches) but they can often protect their investment by entering into a contract to manage the joint venture for a fee.

U.S. banks' involvement in consortium banking has had a chequered history. The real hey-day of the U.S. consortium banks was at the beginning of

the century. A recent book, "The Euro-bank: its Origins, Management and Outlook," by Steven Davis of First International Bankers, has chronicled their rise and fall.

The U.S. consortium banks were principally set up to do international banking. Among the most famous were the American Foreign Banking Corporation, which was owned by over 30 North American banks and had 17 branches overseas. It was later taken over by the Chase Bank. The Asia Banking Corporation, which was owned by Guaranty Trust and the Continental Bank of Chicago plus others, went into voluntary liquidation in 1924 and was finally absorbed into National City Bank.

Perhaps the most infamous was the Mercantile Bank of the Americas, established by Brown Brothers, Guaranty Trust and other U.S. banks. The bank opened 45 offices throughout South America and became involved in commodity financing, but ran into trouble after its Havana office lent \$25m against sugar which dropped in price from \$0.21 to \$0.02 per pound.

By the 1930s all of the American consortium banks had disappeared and their failure was attributed to a combination of inexperienced management, over-rapid expansion, the 1920 foreign trade crisis, excessive eagerness and competition for business, conflicts between bank shareholders and the usual problems of doing business in countries with a significant degree of political instability and vulnerability to commodity price fluctuations.

While the consortium approach clearly limited the exposure of individual banks, one observer concluded that "if banks are reluctant to follow this course (witness Citibank's spirited fight to maintain full control of its Colombian branches) but they can often protect their investment by entering into a contract to manage the joint venture for a fee."

U.S. banks' involvement in consortium banking has had a chequered history. The real hey-day of the U.S. consortium banks was at the beginning of

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Meaning

CONTINUED FROM PREVIOUS PAGE

where management really counts. Orion with David Monaghan and European Banking with Stan Yassukovitch have proved this point beyond all doubt.

Logically, the development path open to consortium banks will take into the field of merchant banking. Accordingly their competitors will be the London-based merchant banks — the Hambros, the Rothschilds, the Hill Samuels, the Credit Suisse White Wields, the Wood Gundy's and so on. Aware of the need to develop along just these lines, we find such banks as United International Bank participating in private placements so as to establish their placement capability. United International Bank recently announced that it had carried out a private placement of \$25m. of 7-year bonds on a 9 per cent coupon for a major Swedish institution.

It is not only the new issue field that offers a growth path for these banks, but also fee-earning activity in the corporate finance field such as mergers and acquisitions, and capital re-structurings. There is scope in this area too for the specialised banks — be they regional or industrial in their specialisations. The way must be open for a bank with London experience to arrange mergers in the Middle East or to organise capital re-structuring in Latin America.

In essence, all consortium banks, while essentially medium and short-term lenders at present, must be expected to move increasingly into both a diversified field (in the sense of fee earning) and also the longer term field. As one banker puts it: "Scratch a consortium bank and you will find a potential merchant bank not far below the surface."

Secure

Because of this diversity of interest, activity and operation, it is difficult to generalise on the performance of the consortium banks in the past year. By and large, it is fair to say that 1976 was a year of consolidation and expansion and by the end of the year, the banks looked more secure than two years previously. Overall too, it is fair to say that were there to be another 1974-style banking crisis, the likelihood is that the consortium banks would not face the same threats of cutbacks in their lines of finance as they did then. Many — if not most — of them have established themselves as autonomous banking organisations.

True, there is still a tendency to count up the number of shareholders and evaluate their international standings, but no one to-day questions the standing of an Orion, a Malbl or a

European Banking Company. They have arrived. Equally, no one criticises the Libras, the Intermers and the London Multinationals — they have established a very impressive record.

Growth of the consortia is evident from the Bank of England statistics. Total assets have grown from some \$4bn. in late 1973 to more than \$11bn. last August. In relative terms, the consortium banks' share of total Eurocurrency assets (claims in non-sterling currencies of banks in the U.K.) has in fact contracted from more than 9 per cent, in 1973 to 6 per cent, last year.

The fall in sterling in recent years has given some consortium banks an added problem. Last month, London Multinational Bank said it had repaid its foreign currency subordinated loans replacing them with similar loans in resident sterling but of later maturity. The intention is to overcome a tax problem arising from the view taken by the tax authorities that an increase in the sterling value of foreign currency assets is taxable as profit, while the corresponding rise in the liability — on currency subordinated loans — cannot be offset against tax. This has become a very real problem in the past two years with the accelerated decline in the sterling parity.



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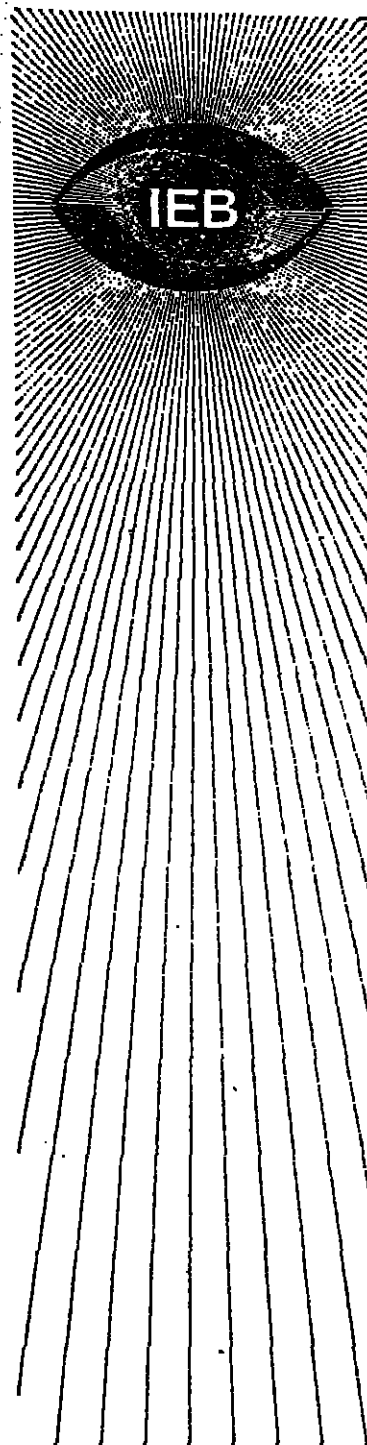
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MULTI-BANK CONSORTIA IV

Specialist operators

WHILE MOST of the biggest consortium banks have a broad international ownership and use their resources widely through the Euro-markets, a number of other groupings operate in a more specialised context.

The specialisation may take a number of forms, often involving concentration of lending in a particular geographical area—such as the developing regions of Latin America and the Middle East. The object of this is to make use of expertise in assessing the potential and risks of the markets in the chosen area, so giving the parent banks the opportunity of investment there which they might not have the size or resources to undertake alone.

More recent years have also seen a growth in consortia doubly related to a particular area, both as drawing resources from it and investing in parts of the region. The Middle East is an outstanding example since, with the steep upsurge in oil prices, that region has been both a generator of surplus funds and—often in different parts of the area—a hungry user of loans. UBAF, the London concern half-owned by the big Paris-based Union des Banques Arabes et Françaises, and in which the Libyan Foreign Bank and the Midland Bank each hold a 25 per cent stake, is an instance of a consortium bank well placed to participate both as borrower and lender in the Middle East and Arab world.

In the developed world, too, banks from a particular country or region—notably Japan and Scandinavia—have found it convenient to join forces in London-based consortia, whether or not their investment outlets are concentrated in the same area. Another, though less common, type of specialisation is according to the industrial character of the investment outlet, a notable example being International Energy Bank, which concentrates on the North Sea and other oil development contexts.

Muscle

Although specialisation in these various ways has often proved a sound formula, it is not a guarantee of success, particularly where, in highly competitive conditions, size and consequent financial muscle-power are decisive factors in determining who gains loan business. Some of the largest consortium operators in Latin America, for example, have found that however skilfully they may weigh one risk against another, a major American or international bank rival may win desirable business from them by making lending terms just a little more attractive even at sacrifice of some of the margin over borrowing costs.

The past year has seen specialist consortia, like consortium banks generally, enjoying, in at least a number of cases, some expansion of business with the further growth of the Euro-market and—for those concerned—the boom in Euro-

Although some consortia are having to grapple with the problems of restoring ratios distorted by the effect of the pound's fall in shrinking a sterling capital on which a foreign currency business is supported, the year has been a relatively smooth one.

The well-known tax-problems concerning the Inland Revenue's reluctance to allow tax relief on the additional cost of foreign currency subordinated loans which buttress the capital of a number of consortium banks are as familiar to specialised as to other consortia and are now under very active discussion.

The effect of the fall in the pound has been to magnify the sterling value of total assets, chiefly in foreign currencies, of most of the consortium banks, including the specialist groups. In addition, there has often been a true rise in the scale of operations during 1976 because concerns have somewhat increased their borrowings, on average, to extend their operations—though often at a fairly sedate pace—after the very restrictive 1974-75 phase following the collapse of the Herstatt Bank in Germany. Total assets of all consortium banks were \$1.2bn. up on a year earlier in August, 1976, at \$1.3bn.

In order to keep the capital base in appropriate relationship with the growing scale of business, both in sterling terms and real terms, extra capital has been injected in one form or another in some cases. UBAF,

whose deposits from Middle East sources particularly have been growing, and whose total assets are now around \$415m., against \$256m. at the end of 1975, has recently had its share capital doubled to £10m. through the putting up of £5m. cash by its owning banks.

Scandinavian Bank, like Nordic Bank, specialises in lending to the Scandinavian area, including shipping and related industries. During 1976 the Scandinavian Bank group raised \$30m. against subordinated loan notes through a private placing with a foreign subsidiary of the group.

The international arrangements—made more explicit by the Bank of England in the past two years—under which parent banks are responsible for the well-being of their consortium offspring have been brought into effect recently at one specialised group, Italian International Bank, whose ultimate owners are four old-established Italian banks, has lately disclosed that a £4m. shortfall on its loans has been guaranteed by Anciennes Institutions de Crédit Italiennes, of Luxembourg, its direct parent which is in turn owned by four Italian banks, including Banco di Napoli and Banco di Sicilia. The aim is to realise the underlying security for the loans in question over periods up to five years.

The concept of a consortium bank to specialise in Euro-lending to particular areas goes back to the formation some years ago of Roy West Banking Corporation, whose owners included Britain's National Westminster Bank and Royal Bank of Canada, to operate mainly in the Caribbean area. Sometimes the parties to specialist ventures are also more generally linked in a non-specialist consortium but additionally undertake the geographically oriented enterprise in a new grouping with banks of the region. Thus both NatWest and Royal Bank of Canada are partners in the very internationally owned big and general Orion Bank consortium, along with Chase Manhattan Bank, Westdeutsche Landesbank Girozentrale, Credito Italiano and Mitsubishi Bank. All these participate also in Libra Bank, which is a specialist in Latin America, and in which other banks connected with that region are their fellow shareholders.

Similarly, while the large Banque de la Société Financière Européenne, which includes Barclays Bank International, Bank of America, Algemeene Bank Nederland, Dresdener Bank and Sumitomo Bank, operates in a general context, some of its shareholders also participate in Euro-Latinamerica Bank, specialising in Latin America. Banque SFE members also have links with International Energy Bank.

Simon Tait, particularly concerned with Margaret Reid

Projects

Iran Overseas Investment Bank, 50 per cent of whose capital is held by two Iranian banks, with the rest split among prominent international banks including Barclays Bank International and Bank of America, was set up in 1973 to specialise in raising finance for Iran's development projects.

A more recent creation, Saudi International Bank, half of whose shares are held by the Saudi Arabian Monetary Agency, central bank of the world's biggest oil producer, Saudi Arabia, may clearly develop an important role. Other participants include such major international banks as Britain's NatWest, France's Banque Nationale de Paris, Deutsche Bank of West Germany and Morgan Guaranty of the U.S.

The scope for a strongly backed consortium bank specialising in an industrial sector was illustrated in February when International Energy Bank, with one of its shareholders, Republic National Bank of Dallas, led the operation which raised \$275m. for development of the North Sea Claymore Field, \$175m. for Occidental Petroleum and \$100m. for Thomson North Sea.

International Energy, a relatively rare consortium bank with an orientation towards one industrial sector, has arranged anything of a comparable scale in the last few months. But more will certainly be heard this year of the activities of the group, whose owners also include Société Financière Européenne, whose major banking partners were referred to above.

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Restraints in Japan

THE FLOOD of Japanese banks seeking to join the international consortium banking community has slowed to a trickle over the past two years, and there is little or no likelihood of the flow reviving in the near future.

For one thing, most of the leading Japanese banks are already members of a large number of international group banking ventures around the world. For another, even if they were still anxious to participate in new consortia, they might have trouble finding international partners.

Then, last March, paternalistically citing the need to keep the banks from running into difficulties overseas, the Ministry decided in principle not to approve for the time being any new plans by Japanese banks to acquire a controlling stake in overseas joint banking ventures. Only a few pending applications would be considered, the Ministry said, while plans for acquisition of stakes of less than 50 per cent would be scrutinised more closely than before.

To emphasise it meant business, the Ministry a month later instructed all Japanese banks to submit detailed annual reports on the various ventures in which they held majority stakes, including balance-sheets, profit and loss statements, large loans supplied overseas, and loan accounts with the parent bank. One reason cited at the time

for the Ministry's new controls was the financial problems encountered by the Brazilian Financial Investment Bank, in which the Bank of Tokyo had a 30 per cent stake. But it seems fairly safe to assume the Ministry would have acted anyway, given its keen desire to keep a close eye on the overall offshore activities of Japanese banks, whether through consortia, or through wholly or partly owned subsidiaries or branches.

One of the Ministry's main concerns, it perhaps needs hardly be said, is the banks' notoriously heavy dependence on short-term external borrowings to fund long-term lending commitments. The experiences of Japanese banks with minority stakes in consortium banks have not always been altogether happy ones.

Banking sources in Tokyo report that some Japanese banks have often found it difficult to abandon their uniquely Japanese operating practices in favour of the alien methods imposed by their partners. Perhaps anticipating such frictions—but much more probably because it wanted to simplify the problem of keeping track of the banks' offshore activities—the Finance Ministry encouraged Japanese banks to join forces by setting up their own joint ventures, rather than each bank joining one of the multinational consortia.

In 1970, seven leading Japanese city banks made applications for overseas participation in a variety of overseas group banking ventures. The final outcome, heavily influenced by the Ministry's wishes, was the setting up in London of Associated Japanese Bank—involving Dai-ichi Kangyo, Mitsui and Sanwa banks—and Japan International Bank, involving the Fuji, Mitsubishi, Sumitomo and Tokai banks.

The initial argument presented by the banks in favour of their offshore plans was the urgent need to provide medium and long-term financing to the rapidly growing number of Japanese companies involved in business overseas.

The justification for this argument was greatly weakened two years later, when the Ministry found it possible to relax earlier controls on medium and long-term lending directly by the city banks' offshore branches. This initiated a period when the banks were competing for loan business with the consortia in which they participated—and in fact most of the business which came the way of the parent banks was not passed on. That period came to an abrupt end following the Herstatt incident, when the Ministry effectively banned further increases in the city banks' offshore medium and long-term loans. The ban has undergone a recent, but only very slight, relaxation. Since 1974, in fact, Japanese city banks have been passing an enormous amount of business the way of overseas banking groups in which they have a stake.

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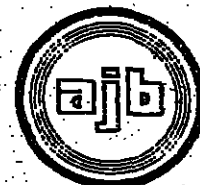
A wholly-owned subsidiary of European Arab Holding S.A. (Luxembourg)

<p>Shareholders:</p> <ul style="list-style-type: none"> Arab International Bank, Cairo Frab-Bank International, Paris Abu Dhabi Fund for Arab Economic Development Algeria: Banque Nationale d'Algérie Egypt: National Bank of Egypt Kuwait: National Bank of Kuwait Lebanon: Banque Libanaise pour le Commerce 	<ul style="list-style-type: none"> Libya: National Commercial Bank Morocco: Banque Marocaine du Commerce Extérieur Oman: Sultanate of Oman Saudi Arabia: The National Commercial Bank Sudan: Bank of Sudan Syria: Banque Centrale de Syrie 	<ul style="list-style-type: none"> Austria: Creditanstalt-Bankverein Belgium: Société Générale de Banque S.A. France: Société Générale S.A. Germany: Deutsche Bank AG Great Britain: Midland & International Bank Limited Italy: Banca Commerciale Italiana Japan: Fuji Bank Limited Netherlands: Amsterdams-Rotterdam Bank N.V. Switzerland: Credit Suisse
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Associated Japanese Bank (International) Limited

an international bank with a wide range of activities specialising in Euro-currency Finance

Share, Loan Capital & Reserve £21.4 million
Loans £194.2 million
Total Assets £338.1 million (as at 27th February 1976)



Associated Japanese Bank (International) Limited

29-30 Cornhill, London, EC3V 3QA
Telephone: 01-623 5661. Telex: 883661

Jointly owned by
The Sanwa Bank Ltd The Mitsui Bank Ltd
The Dai-ichi Kangyo Bank Ltd The Nomura Securities Co Ltd
(Shareholders' aggregate assets exceeding £43,000 million)

Channel for oil funds

CONSORTIUM banking was by its very nature a major financial means new to the Middle East before the quadrupling of oil prices in 1973-74. Several of the institutions now among the leading examples of such banks—UBAF, European Arab Bank, United Bank of Kuwait, Iraq Overseas Investment Bank—were established in the late 1960s and early 1970s.

But the 1973-74 explosion in oil revenues transformed many of the existing institutions beyond recognition and stimulated a plethora of new ones. Arab banking was given an international dimension, and the consortia were among the standard-bearers, as they are.

For outside Kuwait and perhaps Lebanon the Arab world had little financial expertise. The strength of its existing financial institutions nowhere near matched the sudden vast accession in wealth. Arab houses, excepting the big Kuwaiti ones, were largely unknown quantities in the international capital markets which received the bulk of the OPEC surplus funds.

Both the handling of the oil revenues and the channelling of investment of the surplus funds has been left to the large international banks. The Arab States and Iran lack both the trained manpower and institutions of the necessary scale to cope with the vast amounts of cash involved.

Estimates for OPEC as a whole put oil revenues at \$90bn. in 1974, \$97bn. in 1975 and well over \$100bn. in 1976, with the investible surplus at \$37bn. in 1974, \$36bn. in 1975 and probably \$34-35bn. in 1976.

Faced with the difficulties of setting up institutions of their own, Arab States and Iran heavily engaged in foreign currency activities. If the pound fell by 20 per cent. against the dollar in the course of a year, the sterling value of a bank's currency operations will rise correspondingly even without any real growth of the business.

Yet the value of its sterling capital—if it is based in the U.K.—will have remained unchanged. There is some offset to this pressure, to the extent that a bank's income in foreign currency will also be similarly inflated in sterling terms. But because of the way in which most banks deal with currency fluctuations—translating assets at year-end values but income at the average level during the year—the rise in profits may not match the increase in the sterling value of currency assets and deposits. The pressure can therefore undermine the bank's ability to build up capital from retained earnings.

The implications of a continuing decline in sterling could clearly be quite serious. The need to maintain adequate capital ratios and the importance of sustaining confidence in the City's banking system is at the forefront of official thinking at the moment in the wake of the threatened loss of confidence after the fringe bank collapses. The issues are highlighted, moreover, by the moves expected to introduce a degree of greater formality into the supervision of the banks when last summer's White Paper on the licensing of deposit-taking institutions is put into effect as legislation.

In fact, the authorities, though aware of the problem, appear to be taking a fairly relaxed view of the situation at present. They recognise the short-term pressures, but do not appear too worried about the level of gearing at most of the London banks. And specifically in relation to the consortium banks, considerable comfort is taken from the letters of reassurance which have been required by all participant banks effectively committing themselves to helping out such offshoots if they run into trouble.

Nevertheless, the problem is real, both from the point of view of the consortium banks and from that of their parents. Quite aside from official regulations, the banks are conscious that they have to maintain reasonable-looking balance-sheets in order to keep the confidence of the market place. For foreign parent banks, again, the decline in sterling may make investments in London-based operations less attractive since the currency income will be taxed at its inflated sterling value rather than its real worth in foreign currency to the shareholders.

Faced with this pressure, there are three main courses which can be followed by a U.K. bank. One is to cut back the scale of operations in line with the existing capital—not a very palatable course. The second is to build up new equity capital either through retained profits or by calling on the shareholders for new funds; this again could make foreign banks less enthusiastic about pumping funds into their London offshoots if they were required simply to maintain the existing level of operations.

The third method of overcoming the problem is to match foreign currency business with capital raised in foreign currency, the method favoured by many banks. This in turn, however, can raise associated problems, in relation to the nature of the capital funds involved. And it is in this context that the major tax issue has arisen. Foreign currency capital is normally raised in the form of equity funds but of subordinated loans.

The Bank of England has recognised that a proportion of such capital is acceptable, provided the loans are for a reasonably long period—at least five years and longer if possible. However, it is also recognised that loan capital is not a complete substitute for equity funds. It has to be repaid at some stage, and though subordinated to the interests of depositors cannot be regarded as available as a reserve against potential losses. There must be a limit to the proportion of a bank's capital in this form, and while there are no strict rules the general indications are that anything much more than a half would not be regarded as acceptable.

The tax problem has arisen out of the treatment accorded to such loans by the Inland Revenue. It was, in fact, iden-

Euromarket lending, having led loans for Morocco, Cuba, Gabon and Cameroon and co-managed ones for Algeria and the African Development Bank.

The Banque Arabe et Internationale d'Investissement (BAII) in Paris claims to be the leading Arab investment bank, with 6 per cent. of the 11.5 per cent. share of new international bond issues co-managed by Arab houses in the first half of 1976. BAII, with assets at the beginning of 1976 of more than \$500m., is 50 per cent. owned by six Arab institutions and 50 per cent. by European, Japanese, North and South American interests. It is a wholly owned subsidiary of the Luxembourg-based Compagnie Arabe et Internationale d'Investissement (CAII).

European-Arab Bank similarly has a long list of Arab and European shareholders and is expanding fast from its head office in Luxembourg, having just opened a London affiliate and with further overseas presences planned.

There is some overlapping of shareholders between the various multinational consortia banks. Frab-Bank, another Paris consortium in which Arab interests have 50 per cent. and Societe Generale 30 per cent., has a stake in European-Arab, as does the Arab International Bank, an Arab consortium operating offshore from Cairo.

The chairman of both European-Arab and Arab International is Dr. Abdel-Moneim al-Qaisouni, recently appointed a Deputy Premier in Egypt. Arab-African Bank, another offshore consortium operation in Cairo, has a stake in UBAF.

The United Bank of Kuwait (UBK) and the Industrial and Mining Development Bank of

Iran (IMDBI) are the earliest examples of consortia set up to serve the needs of specific countries. UBK was established in London in 1966 to play a more direct role in the placing of Kuwaiti funds on the London market. Four Kuwaiti commercial banks and two Kuwaiti investment companies are the shareholders.

Trust Company not only has 20 per cent. of the equity but also a management contract. SAMA holds 50 per cent., the two Saudi commercial banks 5 per cent. together and Bank of Tokyo, BNP, Deutsche Bank, NatWest and UBS 5 per cent. each.

Other consortium banks serving localised needs include the Banco Arabe-Espanol in Madrid (30 per cent. Kuwaiti, 30 per cent. Libyan and 40 per cent. shared among Spanish banks), the Banque Intercontinentale Arabe (50 per cent. Algerian, 50 per cent. Libyan), based in Paris, the Arab Bank for Investment and Foreign Trade (Abu Dhabi, Libya and Algeria), based in Abu Dhabi, and the Commercial Bank of Dubai, which includes a 30 per cent. stake by Chase Manhattan and a 20 per cent. stake by Commerzbank.

The relatively small involvement of U.S. banks in Middle East-oriented consortia seems to reflect their dislike of long lists of shareholders and correspondingly small equity holdings and the predominance they have already established in recycling surplus oil funds through advisory and management contracts with leading Arab institutions.

What seems likely, however, is an expansion of Arab banking interest in the U.S. which could take the form of more consortium banks. Nearly 40 per cent. of the OPEC surplus in the first half of 1976 was invested in the U.S., whereas in 1974 only 20 per cent. went to the U.S. and 37 per cent. to Britain.

That the trend in OPEC investment was getting out of tune with Arab-gear banking institutions was first recognised by UBAF, which set up the UBAF-Arab American Bank in New York last year (it opened in the summer of 1976). Four U.S. banks have stakes totalling 20 per cent. in the bank, which should be able to carve out for itself a sizeable chunk of the financing of the \$10bn. or so of U.S.-Middle East trade.

BAII has also recognised the necessity of the American connection by buying 14 per cent. of Wall Street brokers Reynolds Securities and negotiating for an even bigger stake.

Peter Field

et al. 1/5/77

MULTI-BANK CONSORTIA V

Ventures

IMDBI was established in 1959 to finance Iranian industrial and commercial ventures through long term loans and equity participation. Based in Tehran, its shareholders are Iranian individuals and institutions (50 per cent.) and 22 foreign banks and companies (14 per cent.). Into a different category come the Iran Overseas Investment Bank (Iranvest) and the Saudi International Bank, both with similar objectives.

Iranvest was set up in London in 1973 by Bank Melli Iran and IMDBI (50 per cent. between them) and eight international banks to channel resources for long-term development into Iran, as well as to engage in short-term trade financing.

The \$25m. Saudi International Bank, which was in gestation for several years before it opened for business in March, 1976, is a merchant bank rather than the overseas investment arm of the Saudi Arabian Monetary Agency (SAMA) that was expected by many observers. The only new consortium bank to be established in London in the past year, it also provides the only major example of a consortium bank in an international centre with American participation. And in this case Morgan Guaranty

Widest

The group with the widest spread in operations is not in shareholders—as the Union de Banques Arabes et Francaises (UBAF), based in Paris, but shortly to have a holding company outside France. It is owned 40 per cent. by French banks, with Credit Lyonnais having about 30 per cent., and 60 per cent. by banks and governments from every Arab State. Such a device enables the poor Arab States without oil to gain an exposure to the international markets which would otherwise be difficult and also makes it easier to direct funds to the deficit Arab States.

The UBAF group has assets of over \$3bn. in London, New York, Rome, Hong Kong and Luxembourg, a branch office in Tokyo, and an offshore banking licence in Bahrain. It is active both in commercial banking and in

Problem of the weak £

Confidence

Nevertheless, the problem is real, both from the point of view of the consortium banks and from that of their parents. Quite aside from official regulations, the banks are conscious that they have to maintain reasonable-looking balance-sheets in order to keep the confidence of the market place. For foreign parent banks, again, the decline in sterling may make investments in London-based operations less attractive since the currency income will be taxed at its inflated sterling value rather than its real worth in foreign currency to the shareholders.

Faced with this pressure, there are three main courses which can be followed by a U.K. bank. One is to cut back the scale of operations in line with the existing capital—not a very palatable course. The second is to build up new equity capital either through retained profits or by calling on the shareholders for new funds; this again could make foreign banks less enthusiastic about pumping funds into their London offshoots if they were required simply to maintain the existing level of operations.

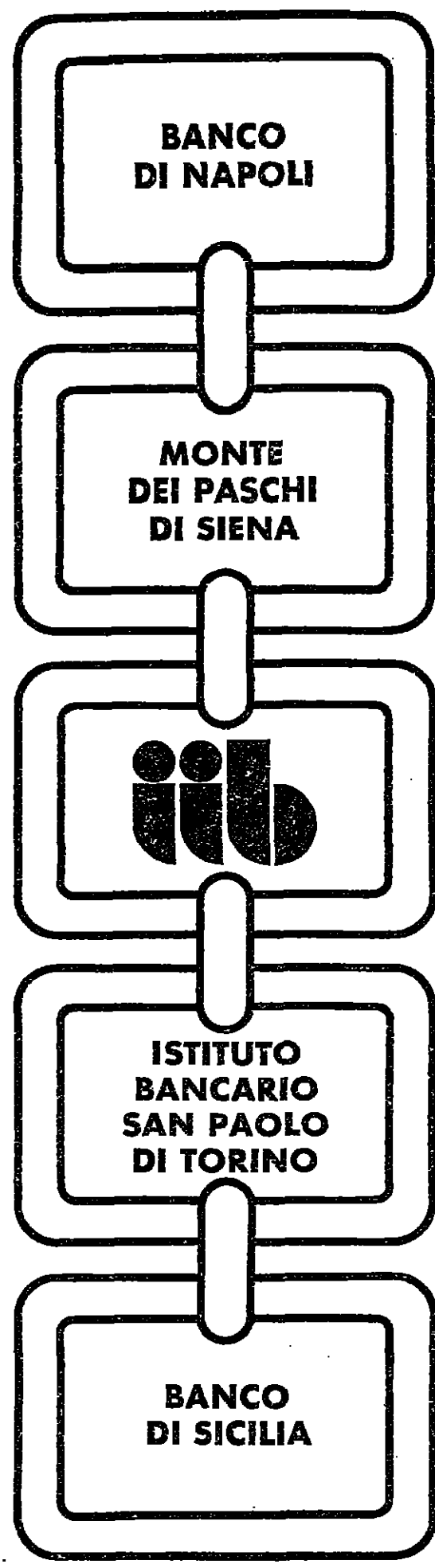
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Michael Blanden

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One of the few mono-national consortium banks, the IIB provides a complete international merchant banking service. The IIB was established as a British bank in 1972 to develop the international interests of four of the oldest banks in the world—Banca di Napoli, Banca di Sicilia, Istituto Bancario San Paolo di Torino and Monte dei Paschi di Siena.

THE CITY LINK

Italian International Bank

IN A STRONG BANKING CHAIN

Italian International Bank Ltd.
P & O Building, Leadenhall Street
London EC3V 4PT
Tel: 01-623 8700
Telex: 885370 (General)

Multibank



EXTRACT FROM ACCOUNTS AT 31st OCTOBER	1974	1975	1976
	All figures in £000s		
SHARE CAPITAL AND PROFIT RETAINED	6,142	7,045	8,157
SUBORDINATED LOANS (£ equivalent)	7,087	8,063	8,100
TOTAL SHAREHOLDERS' FUNDS	13,229	15,108	16,257
DEPOSITS	238,536	305,870	390,163
LOANS	114,109	120,141	173,532
TOTAL ASSETS	258,278	327,626	420,454
PROFIT BEFORE TAXATION	1,620	2,182	2,632
PROFIT AFTER TAXATION	770	1,063	1,312

Figures for 1975 and 1976 are consolidated

London Multinational Bank

1 UNION COURT, OLD BROAD STREET, LONDON EC2N 1EA
Telephone: 01-293 8171 Telex: 883615/6 Cables: Multibank London EC2

Owned by
BARING BROTHERS · CHEMICAL BANK · CREDIT SUISSE · NORTHERN TRUST

Bank Limited

1.4 million

Bank Ltd
30A
883661

Bank Ltd
1.4 million

Down further 11 on profit taking Sterling firm

BY OUR WALL STREET CORRESPONDENT

PROFIT-TAKING sent Wall Street to further losses today as investors...

TUESDAY'S ACTIVE STOCKS

Table with columns: Stock, Change, High, Low, Close

Analysts also believed that part of the weakness in the Stock Market stemmed from a belief among investors that U.S. interest rates may have bottomed out for the very near-term.

Walt Disney fell 81 to 946, CBS to 354, Santa Fe International 81 to 849 and Carrier 81 to 819.

in Motors, Daimler-Benz gained D13.50 to 242.50, while Mercedes-Benz, a part owner of Daimler-Benz, rose D2.00 to 286.

AMSTERDAM—Market firmed, led by Hoogovens, up Fr.2.3, and Phillips, up Fl.0.7.

Dealers noted good Swiss and West German demand.

OSLO—Industrials were slightly easier, Insurances and Shippings quiet, while Bankings were firm.

MILAN—Mainly easier in thin dealings, with operators generally awaiting the outcome of today's deal between Government and Unions on wage inflation.

GERMANY—Prices rose sharply on lively buying by investment companies and also the general public.

STERLING—Sterling remained firm in fairly quiet trading in the foreign exchange market yesterday.

The pound opened at \$1.7080 and fell to a low point of \$1.7045-1.7055 before rising to a high level of \$1.7090-1.7100 in the afternoon, and closing at \$1.7080.

Its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, was calculated by the Bank of England, was unchanged at 44.1 per cent.

The dollar's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, was calculated by the Bank of England, was unchanged at 44.1 per cent.

HOOGOVENS—Gold shares were firmer in moderate trading, following European bullion indications.

Financial Minings were more cautious in recovering from earlier weakness and traded at or slightly below the previous day's level.

COPPER—Coppers were firm in line with LME prices, while Platinums were narrowly mixed.

SWITZERLAND—Broadly higher on heavy institutional demand, with interest centred on Major Banks and Insurances.

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GOLD MARKET

Table with columns: Gold Bullion, Price, Change

Gold Bullion: London, 1,254.00; New York, 1,254.00; Amsterdam, 1,254.00.

Gold Coins: London, 1,254.00; New York, 1,254.00; Amsterdam, 1,254.00.

FOREIGN EXCHANGES

Table with columns: Jan. 4, 1977, Bank, Rate

Jan. 4, 1977: London, 1.7080; New York, 1.7080; Amsterdam, 1.7080.

Other Markets: London, 1.7080; New York, 1.7080; Amsterdam, 1.7080.

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Indices

NEW YORK-DOW JONES

Table with columns: Jan. 4, 1977, High, Low, Close

Industrial: 897.87, 899.76, 894.55, 894.55, 894.55, 894.55.

Transport: 235.49, 237.52, 237.00, 235.55, 234.50, 234.50.

Utilities: 108.03, 108.64, 108.34, 107.43, 108.24, 108.24.

Ind. Div. Yield: 4.08, 4.15, 4.30, 4.36.

STANDARDS AND POORS

Table with columns: Jan. 4, 1977, High, Low, Close

Ind. Div. Yield: 3.71, 3.70, 3.73, 3.76.

Ind. P/E Ratio: 11.56, 11.89, 11.27, 12.51.

Long Govt. Bond Yield: 6.40, 5.55, 5.24, 6.05.

N.Y.S.E. ALL COMMON.

Table with columns: Jan. 4, 1977, High, Low, Close

Industrial: 179.24, 180.05, 179.34, 178.55, 180.75, 180.11.

Commercial: 179.35, 180.05, 179.75, 178.75, 180.75, 180.11.

TOHONJESBURG

Gold: 179.7, 183.3, 179.7, 183.3, 183.3, 183.3.

Industrial: 179.7, 183.3, 179.7, 183.3, 183.3, 183.3.

AMSTERDAM

Gold: 179.7, 183.3, 179.7, 183.3, 183.3, 183.3.

Industrial: 179.7, 183.3, 179.7, 183.3, 183.3, 183.3.

OSLO

Industrial: 179.7, 183.3, 179.7, 183.3, 183.3, 183.3.

MILAN

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EURO-CURRENCY INTEREST RATES

Jan. 4, 1977: Sterling, 15.17; U.S. Dollar, 15.17.

Forward Rates: New York, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

EXCHANGE CROSS-RATES

Table with columns: Jan. 4, 1977, Frankfurt, New York, Paris, Brussels, London, Amsterdam, Zurich

U.S. in Montreal: U.S. \$ 1.00 = 66.44 Canadian cents.

U.S. in New York: U.S. \$ 1.00 = 80.92 Canadian cents.

U.S. in Milan: U.S. \$ 1.00 = 1,770.85 Italian lire.

U.S. in Johannesburg: U.S. \$ 1.00 = 1,254.00 Rand.

U.S. in Amsterdam: U.S. \$ 1.00 = 1,708.00 Dutch guilder.

U.S. in Oslo: U.S. \$ 1.00 = 1,708.00 Norwegian kroner.

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EURO-CURRENCY INTEREST RATES

Table with columns: Jan. 4, 1977, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, West German Mark, Swiss Franc

Forward Rates: New York, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

Forward Rates: London, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

Forward Rates: Amsterdam, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

Forward Rates: Oslo, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

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Forward Rates: Oslo, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

Forward Rates: Milan, 1.77, 1.67, 1.57, 1.47, 1.37, 1.27.

Forward Rates: Johannesburg, 1.77, 1.67, 1.57, 1.47, 1

GOLD MARKET

Table with gold prices: Gold, Silver, Platinum, Palladium, etc.

FOREIGN EXCHANGES

Table with foreign exchange rates: London, New York, Hong Kong, etc.

OTHER MARKETS

Table with other market prices: Wheat, Corn, etc.

Quality milk supply warning on firmer note

By Our Commodities Staff. PRODUCERS Channel Islands quality milk... warning yesterday that supplies cannot be guaranteed in future if the Government does not increase their premium...

S. Australian crops damaged by locusts

GRAIN CROPS, vegetables, grapes and pastures in Southern Australia have been damaged by locust swarms... In Adelaide, the South Australian Agriculture Department said damage in the State has also been surprisingly light with vegetables, crops and pastures most affected...

Debating politics of surplus

THE POLITICS of surplus dominated the opening morning of the Oxford Farming Conference, and farmers attending could be excused a certain cynicism... Mr. Dale Hathaway, director of the International Food Policy Research Institute in Washington, said that the apparent surplus in the world is a short-term phenomenon...

Coffee prices plunge

COFFEE FUTURES prices continued their violent sea-sawing pattern on the London terminal market yesterday... The March position climbed to 22,955 a tonne in early dealings before falling heavily to close at 22,815 a tonne... The early rise was attributed to a follow-through from New York's strength on Monday...

Optimism over wool market prospects

NEW ZEALAND wool prices for the 1976-77 season, this year should remain high, and possibly even increase slightly... The New Zealand industry will, however, be satisfied to see the price remain at the level reached by the end of 1976 as it does not want high prices to cause a levelling off or fall in demand... The last year ended on a high note, although there was some fluctuation in October/November sales, the last sale of the year at Napier showed a renewed upward trend...

Record Soviet grain harvest

MOSCOW, Jan. 4. THE SOVIET Government announced here that collective and State farmers had achieved the highest grain harvest in the Soviet Union's history last year... Since last October, Soviet officials have referred publicly to a near record harvest, and the private has described it as a record. But Western observers have been puzzled by the failure to issue a final figure...

Confidence on dairy exports to U.K.

NEW ZEALAND'S Dairy Board is confident that the question of continued access to the British market for NZ cheese will be resolved satisfactorily during the coming year... Mr. Fris said that he expected arrangements for continued access after 1980 would be decided in good time... The NZ cheese industry depended upon access to the British market and it was in recognition of this that the Heads of Government meeting in Paris in 1975 agreed that the problem would be fully considered at the appropriate time...

U.K. NICKEL PRICE LOWER

By Our Commodities Staff. A fall in the U.K. price for nickel during January was announced by Inco Europe and Entores, selling agents for Le Nickel... As a result of the higher value of sterling at the end of December, Inco is lowering its price for electrolytic nickel to £2,215 a tonne compared with £2,265 in December... The Nickel is making a similar reduction for nickel rondelles and its ferro-nickel grades.

PRICE CHANGES

Table with price changes for various commodities: Metals, Grains, etc.

COMMODITY MARKET REPORTS AND PRICES

Table with commodity market reports and prices: Copper, Lead, Zinc, etc.

SOYABEAN MEAL

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

US Markets

Copper falls as silver improves... COPPER market trade lower on local foundation... Silver market trade lower on local foundation...

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE... IN THE MATTER OF THE COMPANIES ACT 1947... NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was presented to the said Court on the 23rd day of December 1976...

COCOA

Renewed manufacturer buying initiated by cocoa price... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

JUTE

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

WOOL FUTURES

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

COTTON

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

SILVER

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

REUTERS' FINANCIAL TIMES

Table with financial times data: Gold, Silver, etc.

RUBBER

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

MEAT/VEGETABLES

Market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady... The market opened about 11 down in steady volume, Chicago and sterling steady...

Good start to the New Year, but leaders below best Index up 5.9 at 360.6, after 364.2—Short tap exhausted

Account Dealing Dates... First Declared... Last Account... Dealings Index... Day... Dec. 12 Dec. 30 Dec. 31 Jan. 12 Jan. 13 Jan. 14 Jan. 15 Jan. 16 Jan. 17 Jan. 18 Jan. 19 Jan. 20 Jan. 21 Jan. 22 Jan. 23 Jan. 24 Jan. 25 Jan. 26 Jan. 27 Jan. 28 Feb. 1

The new long tap, Treasury 15 1/2 per cent, 1976, A, closed at an impressive debut, attaining a premium of 1/8 on the issue price of 98; the Government supplied stock at 99. Remaining issues also responded to renewed demand and were generally 1/8 higher at the close and held the enhanced levels in the after-hours trading. Not unexpectedly, the short tap, Exchequer 13 per cent, 1980, issue was exhausted, but the development failed to inspire the end of the market. Business fell short of anticipation, possibly owing to the continuing tightness of money for short-term investment, and gains were only marginal; an announcement regarding a replacement tap issue is expected on Friday.

Accounts edged forward in places in sympathy with gilts. Breweries closed firmly after fairly active business. Ahead of tomorrow's preliminary results, 360, while the Government Allied hardened 1/8 to 65 1/2, while the Press mentioned with a rise of 1/8 to 72 1/2, while H. Samuel "A" closed 2 better at 113 1/2 following the dividend forecast. In front of today's statements, Ration hardened 3 to 58 1/2. In Mail Orders, Empire Stores rose 3 to 58 1/2 and Gratix Warehouses 5 to 80 1/2.

Although looking easier in the late trade, Electricals still managed to close with some substantial gains. Thorn Electricals, which reported interim figures on January 21 last year, finished 10 higher at 216 1/2, after 218 1/2. General Electric ended 2 better at 17 1/2, following another good business. Revolve Parsons responded to Press comment with a rise of 1/8 to 132 1/2, while other firm spots took in EM, 4 firmer at 30 1/2, and Pico, 5 to the good at 32 1/2. Reflecting overseas advances, Philips Lamp were raised 2 1/2 to 94 1/2. H. Wigfall rose 1 1/2 to 117 1/2 in a restricted market.

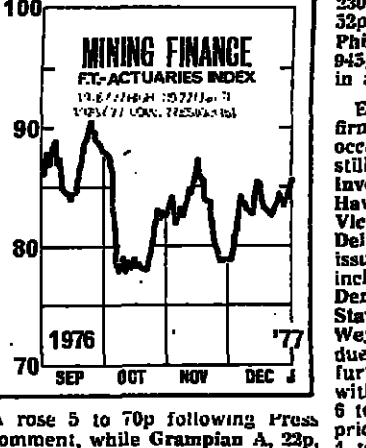
Engineering was one of the firmest sections. Although closing occasionally below the best, gains still ranged to 10 with Tube Investments that much up at 310 1/2. Hawker rose 8 to 460 1/2, after 464 1/2. Vickers, up on 6 to 151 1/2 and Decca, up on 10 to 100 1/2. Secondary issues with rises of around 8 included Blackwood, 9 1/2, Derwent, 10 1/2, and Staveley, 10 1/2. In the afternoon, awaiting annual figures due on January 12, advanced 8 further to 360 1/2. Matthew Hall met with renewed buying and put on 10 to 100 1/2. Among medium priced stocks, Copper-Neil gained 4 to 57 1/2. Reflecting a New Year recommendation, Fairley improved 4 to 61 1/2.

J. Bibby returned to favour in Foreign rising to 130 1/2 in response to revised company speculation. Press comment lifted Brooke Bond 1 1/2 to 39 1/2, and Anglia A, 100, put on and featured with a rise of 8 to 102 1/2, while Debenham, 7 1/2, UDS, 5 1/2, made good headway; Kwik Save Discount improved 7 to 132 1/2. Sea oil prices were steady, while Press comment was reflected in Tesco, 2 better at 35 1/2, and Hillards, 4 to the good at 99 1/2. 35p and Daily Mail "A" 6 better at 210 1/2. The trend elsewhere in the sector was also firm with 8p on further buying in a similar trend. In Paper/Printings left closed without alteration at 35p. Standard Bank, 5 to 14 1/2 on a New Year investment recommendation.

FINANCIAL TIMES STOCK INDICES. Table with columns: Index, Jan. 4, Dec. 31, Dec. 30, Dec. 29, Dec. 28, Dec. 27, % Yr. Change. Rows: Government Sec., Fixed Interest, Industrial Ordinary, Gold Mines, etc.

HIGHS AND LOWS. Table with columns: 1976, 1977, High, Low. Rows: Govt. Sec., Fixed Int., Ind. Ord., Gold Mines.

S.E. ACTIVITY. Table with columns: Jan. 4, Dec. 31. Rows: Govt. Sec., Fixed Int., Ind. Ord., Gold Mines.



Stores buoyant. Stores, currently enjoying bumper trading in the January sales, closed with a fairly lengthy list of gains. "A" was the featured with a rise of 8 to 102 1/2, while Debenham, 7 1/2, UDS, 5 1/2, made good headway; Kwik Save Discount improved 7 to 132 1/2.

Oil sector had its share of features. Renewed American demand lifted British Petroleum 1 1/2 further to a fresh peak of 830 1/2, while North Sea speculation took Tricentrol up to 110p before a close of 4 higher on the day at 104p. Oil Exploration were also singled out for attention and gained 9 to 106p. Shell were a little overshadowed at 460p, up 2, but Royal Dutch moved a point higher to 251 1/2 on overseas inducements. Elsewhere, Siebeck (U.K.) revised with a rise of 10 to 106p and Woodside-Burmah picked up 6 to 110p.

Properties shared in the nature helped by hopes that the trend towards lower interest rates would continue. Stock Conversion were outstanding at 17 1/2, up 8, and the Bank of Scotland were behind with a gain of 6 to 143p. Week-end newspaper comment stimulated MEPC, 4 dearer at 46p, after 44p, while Passey again advanced 3 to 44 1/2. Others worthy of mention included Percy Bilton, 15p, and Hammersey A, 31p, both with improvements of 5.

MONTHLY AVERAGES OF STOCK INDICES. Table with columns: Financial, Govt. Sec., Fixed Interest, Industrial Ordinary, Gold Mines, etc. Rows: Dec, Nov, Oct, Sept, Aug, July, June, May, April, March, Feb, Jan.

British Funds were by no means left out of the picture. The new long tap, Treasury 15 1/2 per cent, 1976, A, made a bright debut, ending with a premium of 1/8 over the issue price of 99. Similar gains were recorded in other long-dated issues. News that the short tap Exchequer 13 per cent, 1980, had been put on helped to inspire the end of the market. Business fell short of anticipation, possibly owing to the continuing tightness of money for short-term investment, and gains were only marginal; an announcement regarding a replacement tap issue is expected on Friday.

Although the volume of business in insurance was described by dealers as disappointing, some useful gains were recorded. "Royals", 204p, and Sun Alliance, 385p, rose 1 1/2 and 1 1/2 respectively, while Guardian, Excessbury, and Phoenix, all up 1/2. 1977 investment recommendation helped Harboro Life and 1 1/2 to 188 1/2, while London and Manchester rose 3 to 102 1/2 and Pearl 6 to 180p. Prudential also did well at 117 1/2, up 7.

Biggest gains in the Banking sector were to be found in Merchant Banks. Week-end Press comment drew buyers' attention to Mercury Securities which gained 10 to 96p, while Arthurat Latham were a similar amount dearer at 102 1/2. In the market, Guinness pushed forward 8 more to 185p. A Press suggestion that the recent Boardroom shake-out could leave the way clear for a possible bid left Fraser Aushbacher a penny up at 8p. The big four Banks failed to hold best levels with Barclays closing 5 up at 250p, after 233p, and Lloyds 3 1/2 amount higher at 210p, after 215p. Dis-

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Good long tap debut. Once again there was no shortage of investing funds for long and medium-dated gilt-edged securities.

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F.T.—ACTUARIES SHARE INDICES. These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS, Tuesday, January 4, 1977, Friday Dec. 31, Thurs. Dec. 30, Wed. Dec. 29, Friday Dec. 24, Year ago (approx.), High, Low, High, Low. Rows: (1) CAPITAL GOODS (178), (2) Building Materials (31), (3) Contracting, Constrcn. (32), (4) Electricals (16), (5) Engineering (Heavy) (13), (6) Engineering (General) (65), (7) Machine and Other Tools (9), (8) Miscellaneous (23), (9) CONSUMER GOODS (DURABLE) (83), (10) L. Electronics, Radio TV (15), (11) Household Goods (13), (12) Motors and Distributors (25), (13) CONSUMER GOODS (NON-DURABLE) (170), (14) Breweries (15), (15) Wines and Spirits (6), (16) Entertainment, Catering (15), (17) Food Manufacturing (21), (18) Food Retailing (17), (19) Newspapers, Publishing (18), (20) Packaging and Paper (12), (21) Stores (35), (22) Textiles (24), (23) Tobacco (3), (24) Toys and Games (6), (25) OTHER GROUPS (95), (26) Chemicals (26), (27) Office Equipment (6), (28) Shipping (11), (29) Miscellaneous (50), (30) INDUSTRIAL GROUP (496), (31) 500 SHARE INDEX, (32) FINANCIAL GROUP (100), (33) Banks (6), (34) Discount Houses (10), (35) Hire Purchase (5), (36) Insurance (Life) (10), (37) Insurance (Composite) (7), (38) Insurance Brokers (10), (39) Merchant Banks (13), (40) Property (31), (41) Miscellaneous (6), (42) Investment Trust (30), (43) Mining Finance (4), (44) Overseas Traders (17), (45) ALL-SHARE INDEX (671).

ACTIVE STOCKS. Table with columns: Stock, Denomina., No. of Shares, Closing, Change, 1976-77, 1977-77. Rows: ICI, BP, BATs Deft., Tricentrol, Marks & Spencer, Shell Transport, Bibby (J.), RTZ, Bechem, Courtaulds, Grand St., MEPC, Ocean Transport, Assc. Newspapers, EMI.

RISES AND FALLS. Table with columns: Stock, Up, Down, Same, 1976-77, 1977-77. Rows: British Funds, Corp. Bonds, Financial and Prop., Dils., Shares, Rec. Issues, Totals.

Option Report—3-month Call rates. Table with columns: First Last, Deal. Declara., Settling, ments, Jan. 12, Jan. 13, Jan. 14, Jan. 15, Jan. 16, Jan. 17, Jan. 18, Jan. 19, Jan. 20, Jan. 21, Jan. 22, Jan. 23, Jan. 24, Jan. 25, Jan. 26, Jan. 27, Jan. 28, Jan. 29, Jan. 30, Jan. 31, Feb. 1, Feb. 2, Feb. 3, Feb. 4, Feb. 5, Feb. 6, Feb. 7, Feb. 8, Feb. 9, Feb. 10, Feb. 11, Feb. 12, Feb. 13, Feb. 14, Feb. 15, Feb. 16, Feb. 17, Feb. 18, Feb. 19, Feb. 20, Feb. 21, Feb. 22, Feb. 23, Feb. 24, Feb. 25, Feb. 26, Feb. 27, Feb. 28, Feb. 29, Feb. 30, Mar. 1, Mar. 2, Mar. 3, Mar. 4, Mar. 5, Mar. 6, Mar. 7, Mar. 8, Mar. 9, Mar. 10, Mar. 11, Mar. 12, Mar. 13, Mar. 14, Mar. 15, Mar. 16, Mar. 17, Mar. 18, Mar. 19, Mar. 20, Mar. 21, Mar. 22, Mar. 23, Mar. 24, Mar. 25, Mar. 26, Mar. 27, Mar. 28, Mar. 29, Mar. 30, Apr. 1, Apr. 2, Apr. 3, Apr. 4, Apr. 5, Apr. 6, Apr. 7, Apr. 8, Apr. 9, Apr. 10, Apr. 11, Apr. 12, Apr. 13, Apr. 14, Apr. 15, Apr. 16, Apr. 17, Apr. 18, Apr. 19, Apr. 20, Apr. 21, Apr. 22, Apr. 23, Apr. 24, Apr. 25, Apr. 26, Apr. 27, Apr. 28, Apr. 29, Apr. 30, May 1, May 2, May 3, May 4, May 5, May 6, May 7, May 8, May 9, May 10, May 11, May 12, May 13, May 14, May 15, May 16, May 17, May 18, May 19, May 20, May 21, May 22, May 23, May 24, May 25, May 26, May 27, May 28, May 29, May 30, Jun 1, Jun 2, Jun 3, Jun 4, Jun 5, Jun 6, Jun 7, Jun 8, Jun 9, Jun 10, Jun 11, Jun 12, Jun 13, Jun 14, Jun 15, Jun 16, Jun 17, Jun 18, Jun 19, Jun 20, Jun 21, Jun 22, Jun 23, Jun 24, Jun 25, Jun 26, Jun 27, Jun 28, Jun 29, Jun 30, Jul 1, Jul 2, Jul 3, Jul 4, Jul 5, Jul 6, Jul 7, Jul 8, Jul 9, Jul 10, Jul 11, Jul 12, Jul 13, Jul 14, Jul 15, Jul 16, Jul 17, Jul 18, Jul 19, Jul 20, Jul 21, Jul 22, Jul 23, Jul 24, Jul 25, Jul 26, Jul 27, Jul 28, Jul 29, Jul 30, Aug 1, Aug 2, Aug 3, Aug 4, Aug 5, Aug 6, Aug 7, Aug 8, Aug 9, Aug 10, Aug 11, Aug 12, Aug 13, Aug 14, Aug 15, Aug 16, Aug 17, Aug 18, Aug 19, Aug 20, Aug 21, Aug 22, Aug 23, Aug 24, Aug 25, Aug 26, Aug 27, Aug 28, Aug 29, Aug 30, Sep 1, Sep 2, Sep 3, Sep 4, Sep 5, Sep 6, Sep 7, Sep 8, Sep 9, Sep 10, Sep 11, Sep 12, Sep 13, Sep 14, Sep 15, Sep 16, Sep 17, Sep 18, Sep 19, Sep 20, Sep 21, Sep 22, Sep 23, Sep 24, Sep 25, Sep 26, Sep 27, Sep 28, Sep 29, Sep 30, Oct 1, Oct 2, Oct 3, Oct 4, Oct 5, Oct 6, Oct 7, Oct 8, Oct 9, Oct 10, Oct 11, Oct 12, Oct 13, Oct 14, Oct 15, Oct 16, Oct 17, Oct 18, Oct 19, Oct 20, Oct 21, Oct 22, Oct 23, Oct 24, Oct 25, Oct 26, Oct 27, Oct 28, Oct 29, Oct 30, Nov 1, Nov 2, Nov 3, Nov 4, Nov 5, Nov 6, Nov 7, Nov 8, Nov 9, Nov 10, Nov 11, Nov 12, Nov 13, Nov 14, Nov 15, Nov 16, Nov 17, Nov 18, Nov 19, Nov 20, Nov 21, Nov 22, Nov 23, Nov 24, Nov 25, Nov 26, Nov 27, Nov 28, Nov 29, Nov 30, Dec 1, Dec 2, Dec 3, Dec 4, Dec 5, Dec 6, Dec 7, Dec 8, Dec 9, Dec 10, Dec 11, Dec 12, Dec 13, Dec 14, Dec 15, Dec 16, Dec 17, Dec 18, Dec 19, Dec 20, Dec 21, Dec 22, Dec 23, Dec 24, Dec 25, Dec 26, Dec 27, Dec 28, Dec 29, Dec 30, Jan 1, Jan 2, Jan 3, Jan 4, Jan 5, Jan 6, Jan 7, Jan 8, Jan 9, Jan 10, Jan 11, Jan 12, Jan 13, Jan 14, Jan 15, Jan 16, Jan 17, Jan 18, Jan 19, Jan 20, Jan 21, Jan 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AUTHORISED UNIT TRUSTS

STOCK INDICES

Table of stock indices including Abbey Unit Tr. Mgrs. Ltd., Allied Bankers Group, and various international and domestic funds.

S.E. ACTIVITY

Table of S.E. activity including Amherst Unit Mgmt. Co. Ltd., Arbuthnot Securities Ltd., and Barclays Unit Mgmt. Co. Ltd.

BASE LENDING RATES

Table of base lending rates for various banks and financial institutions.

REGIONAL MARKETS

Table of regional markets including Albany Inv. 20p, Ash Spinning, and various regional stocks.

INSURANCE, PROPERTY, BONDS

Table of insurance, property, and bond offerings from various companies like Abbey Life Assurance and Commercial Union Group.

Main table of authorised unit trusts, listing names, managers, and performance data for numerous funds such as Abbey Unit Tr. Mgrs. Ltd., British Life Office, and various international funds.

INSURANCE, PROPERTY, BONDS

Table of insurance, property, and bond offerings from various companies like Abbey Life Assurance, Commercial Union Group, and various international funds.

OFFSHORE AND OVERSEAS FUNDS

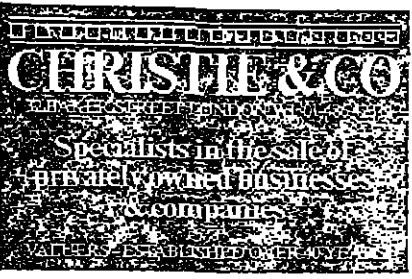
Table of offshore and overseas funds, listing names, managers, and performance data for funds like Arbuthnot Securities, Delia Group, and various international funds.

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Advertisement for NOTES, featuring a large logo and text about various financial products and services.



FT SHARE INFORMATION SERVICE

ROTELS (Continued)

Table of hotel stock prices including names like Hilton, Holiday Inn, and Intercontinental.

INDUSTRIALS (Miscel)

Miscellaneous industrial stock prices including companies like ICI, British Petroleum, and Shell.

ENGINEERING - Continued

Engineering stock prices including firms like BHP, British Steel, and British Leyland.

DRAPERY AND STORES - Continued

Drapery and stores stock prices including companies like Debenhams and Next.

BUILDING INDUSTRY - Continued

Building industry stock prices including firms like Bovis Lend Lease and Bovis Construction.

CANADIANS

Canadian stock prices including companies like Alcan and Inco.

BRITISH FUNDS

British fund prices including various investment funds like Fidelity and Templeton.

BANKS AND HIRE PURCHASE

Bank and hire purchase stock prices including companies like NatWest and HSBC.

Over Fifteen Years

Stock prices for companies with over 15 years of history.

Undated

Undated stock prices for various companies.

INTERNATIONAL BANK

International bank stock prices including Citibank and Royal Bank.

CORPORATION LOANS

Corporation loan rates and prices.

COMMONWEALTH & AFRICAN LOANS

Commonwealth and African loan rates.

LOANS (Miscel)

Miscellaneous loan rates.

FOREIGN BONDS & RAITS

Foreign bond and rate prices.

REERS, WINES AND SPIRITS

Reers, wines, and spirits prices.

AMERICANS

American stock prices including companies like IBM, General Electric, and Ford.

BANKS AND HIRE PURCHASE

Bank and hire purchase stock prices.

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Undated stock prices.

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Corporation loan rates.

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REERS, WINES AND SPIRITS

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AMERICANS

American stock prices.

ELECTRICAL AND RADIO

Electrical and radio stock prices.

CHEMICALS, PLASTICS

Chemicals and plastics stock prices.

ENGINEERING, MACHINE TOOLS

Engineering and machine tools stock prices.

CINEMAS, THEATRES AND TV

Cinemas, theatres, and TV stock prices.

DRAPERY AND STORES

Drapery and stores stock prices.

BUILDING INDUSTRY, TIMBER AND ROADS

Building industry, timber, and roads stock prices.

FOOD, GROCERIES, ETC.

Food, groceries, etc. stock prices.

HOTELS AND CATERERS

Hotels and caterers stock prices.

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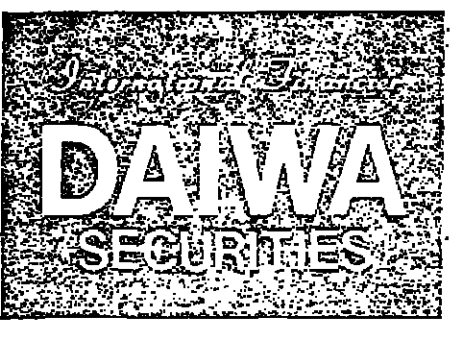
FOOD, GROCERIES, ETC.

Food, groceries, etc. stock prices.

HOTELS AND CATERERS

Hotels and caterers stock prices.

Handwritten note: buy 100 shares



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various engineering firms, with columns for stock name, price, and change.

INSURANCE

Table of insurance companies such as British Overseas Insurance, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including estate agents and real estate companies.

TRUSTS—Continued

Table of trust and investment funds, including various pension funds and investment trusts.

TRUSTS—Continued

Table of trust and investment funds, including various pension funds and investment trusts.

MINES—Continued

Table of mining stocks, categorized by Far West Rand and Finance, Land, etc.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft related stocks, including components and garages.

Commercial Vehicles

Table of commercial vehicle stocks.

Components

Table of component stocks.

Garages and Distributors

Table of garage and distributor stocks.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair stocks.

SHIPPING

Table of shipping stocks.

SHOES AND LEATHER

Table of shoe and leather stocks.

SOUTH AFRICANS

Table of South African stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks.

PROPERTY

Table of property stocks.

TEXTILES

Table of textile stocks.

TOBACCO

Table of tobacco stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

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Table of trusts, finance, and land stocks.

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Table of tobacco stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

FINANCE

Table of finance stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

CENTRAL AFRICAN

Table of Central African stocks.

AUSTRALIAN

Table of Australian stocks.

TINS

Table of tin stocks.

COPPER

Table of copper stocks.

MISCELLANEOUS

Table of miscellaneous stocks.

NOTES

Notes section providing additional information and commentary on the market.

TEAS

Table of tea stocks.

India and Bangladesh

Table of stocks from India and Bangladesh.

Sri Lanka

Table of Sri Lanka stocks.

Africa

Table of African stocks.

MINES

Table of mining stocks.

CENTRAL RAND

Table of Central Rand stocks.

EASTERN RAND

Table of Eastern Rand stocks.

Notes

Notes section providing additional information and commentary on the market.

Recent Issues and Rights

Recent Issues and Rights section providing information on new issues and rights.

Additional text at the bottom of the page.

We pay for your steel until you need it



Pound rises on approval of IMF loan

BY MICHAEL BLANDEN

THE POUND rose again yesterday and the gilt-edged market had another good day following news of the formal approval of Britain's credit from the International Monetary Fund.

Interest rates

The relative calm in exchange markets is also helping to encourage the hopes of another cut in interest rates.

Rubery Owen peace formula accepted

BY PETER CARTWRIGHT

TALKS to restructure the outdated wages and industrial relations framework at Rubery Owen began yesterday immediately after striking electricians had accepted a peace formula to end their month-long pay dispute.

Continued from Page 1

Rhodesia solution

attitude appears to have been decidedly non-committal. The agreement on both sides to meet again in about ten days would seem to indicate that Mr. Vorster has decided to see what guarantees Mr. Richard can win on the rest of his tour from the front-line Presidents—and indeed the nationalists themselves.

Palestinians head towards government-in-exile

BY RICHARD JOHNS

THE PALESTINIAN CENTRAL COUNCIL will meet next Tuesday in Damascus amid clear indications that the movement will soon set up a Government-in-exile and—in co-ordination with the Arab States directly concerned—insist on individual representation at a reconvened peace conference in Geneva this year.

Guthrie plans to reshape its Malaysia interests

BY MARGARET REID

GUTHRIE CORPORATION, the British group with large rubber and palm oil interests in Malaysia, is far advanced with preparations to replace its U.K. registered subsidiaries.

Ranks bids \$23m. for U.S. company

BY KEITH LEWIS

RANKS HOVIS McDUGALL, one of the U.K.'s top three bakers, is making a significant move into the North American market through a \$23m. takeover bid for Red Wing Incorporated, a private company based in Fredonia, New York.

Fewer parcels by post

FINANCIAL TIMES REPORTER

THE POST OFFICE had a mixed Christmas, with a marginal increase in letter traffic but a substantial fall in parcels sent during December.

FINANCIAL TIMES

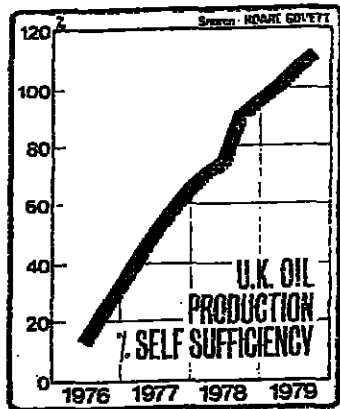
Wednesday January 5 1977

Factories and Warehouses 20% Rent Rebates for Industry Rent Fairview from: 65p PHONE 01-366 1271

THE LEX COLUMN

From the IMF to the North Sea

Index up 5.9 at 360.6



In stock market terms, 1977 is coming in like a lion. The All-Share Index has rallied by around a third from its low point at the end of October, and the FT Government Securities Index has picked up by a tenth over the same period.

U.S. Growth

Another important influence has come from across the Atlantic. The Dow Jones Index is almost back at its high point, and almost before the Carter regime has come to power the leading economic indicators have turned positive.

Horse-trading

There is no reason to expect this trend to change a great deal in 1977; much horse-trading will be involved in the Stage Three wages deal to be struck in the spring, and the prices policy which will follow the demise of the present Code in July. Inflation, too, remains a threat which has yet to be

decisively tackled. The target for domestic credit expansion, agreed with the IMF, is a double-figure rate of expansion in the money supply for some years to come, which seems to make it unlikely that inflation could dip into single figures very long.

A further rise in unemployment and unused capacity in industry. Consumer spending is likely to fall, and the Government's forecast of a near 20 per cent rise in manufacturing investment looks highly optimistic.

Cash for equities

Although the Government's funding problems seem rather less daunting than they did until recently, the institutions are still going to have to invest very large sums in gilt-edged. Just how much will, again, be affected by the need to accommodate an unknown increase in bank lending within the set DCE limits.

Market expectation

Market expectation is that in 1978, the sector should have accounted for about 40 per cent of the larger total profit anticipated for that year.

We can't afford a computer! Yes you can, say KIENZLE

Advertisement for Kienzle 2000 Office Computer. Includes an image of the computer system and text describing its features and benefits.

Weather

U.K. TO-DAY CLOUDY, rain at times. London, S.E., Cent. S., E., N.W., Cent. N., W., E., S.W., E. Anglia, Midlands, N. Wales, Lakes

BUSINESS CENTRES

Table with columns for City, V-day, and Y-day. Lists various cities and their corresponding market indicators.

HOLIDAY RESORTS

Table with columns for Resort, F, and A. Lists various holiday resorts and their status.